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SENATE

Report
No. 98-146

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1983

REPORT

OF THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ON

S. 1347

TO PROVIDE A SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR THE FISCAL YEAR 1983 FOR CERTAIN FOREIGN ASSISTANCE PROGRAMS; AND TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961 AND THE ARMS EXPORT CONTROL ACT TO AUTHORIZE APPROPRIATIONS FOR THE FISCAL YEAR 1984 FOR INTERNATIONAL SECURITY AND DEVELOPMENT ASSISTANCE, AND FOR OTHER PURPOSES

together with

ADDITIONAL VIEWS

May 23 (legislative day May 16), 1983.—Ordered to be printed

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INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1983

May 23 (legislative day, May 16), 1983.—Ordered to be printed

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Mr. Percy, from the Committee on Foreign Relations, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 1347]

The Committee on Foreign Relations, having under condsideration an original bill to provide supplemental authorization of appropriations for fiscal year 1983 for certain foreign assistance programs; and to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for the Fiscal Year 1984 for international security and development assistance, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Purpose of the Bill

The principal purpose of the bill is to authorize supplemental appropriations of $238 million for fiscal year 1983 security assistance programs and to authorize appropriations of $7,264.5 million for fiscal year 1984 foreign assistance programs.

Major Provisions of the Bill

The International Security and Development Cooperation Act of 1983 contains the following major provisions:

(1) For fiscal year 1983 it authorizes supplemental appropriations of $132 million for grant military assistance programs and $105.5 million for Economic Support Fund programs. It also authorizes $342 million in additional FMS guaranteed loans for fiscal year 1983.

(2) For fiscal year 1984, it authorizes appropriations of $1.9 billion for military aid, $2.9 billion for Economic Support Fund (ESF) aid, and $2.4 billion for development and related assistance programs. It also authorizes $4.5 billion in FMS guaranteed loans for fiscal year 1984.

(3) For Israel, it authorizes $850 million in grant military aid; $850 million for FMS guaranteed loans, and $910 million in grant ESF aid. For Egypt, authorizes $465 million in grant military aid; $900 million for FMS guaranteed loans; and $750 million in grant ESF aid.

(4) For Greece and Turkey, it provides military aid of $500 million and $715 million respectively, retaining the 7:10 military aid ratio between the two countries.

(5) For El Salvador, (a) it places a limit of 55 on the number of U.S. Armed Forces personnel in that country, (b) it limits military aid to $76.3 million annually in fiscal year 1983 and fiscal year 1984 (including $20 million for training in the United States only), (c) it calls for support of democratic forms of government and calls for the United States to use its good offices to encourage an unconditional dialogue among the parties to the conflict, (d) it extends and modifies the current human rights certification process; and (e) addresses the need for El Salvador to develop a plan to end political violence.

(6) It authorizes appropriations for the Peace Corps, the United Nations Development Program, the United Nations Childrens Fund, the African Development Fund, and the Inter-American Development Foundation.

(7) It promotes U.S. trade by expanding the AID Trade and development program, providing measures to enhance U.S. procurement in foreign aid programs, and introducing a FMS financing "buy America" provision with a national interest waiver.

(8) It specifically promotes agricultural exports by authorizing the export of CCC surplus food stocks, by encouraging long-term Agricultural Commodity Agreements with food deficit countries, and by earmarking 35 percent of the Economic Support Fund's CIP program for agricultural export,purposes.

(9) It establishes a new program to combat international terrorism.

(10) It requires the President to suspend aid to any country if he determines that such country has failed to take adequate measures to prevent the illicit entry into the United States of narcotics and other controlled substances.

(11) It requires the President to reduce aid by 50 percent to any country if he determines that such country illegally broadcasts U.S. copyrighted mnaterial.

(12) It directs the President to use ESF assistance to the maximum extent feasible for development purposes and further directs that development assistance directly improve the lives of the poor majority.

(13) It authorizes the President to use development assistance to protect endangered species in developing countries.

(14) It closes loopholes in existing law relating to the upgrading of previously approved arms sales and to the limitations on U.S. military advisers.

(15) It takes preliminary steps to restrain U.S. arms exports by urging the President to begin talks with NATO to restrain arms transfers to the Third World and by requiring that Congress receive copies of all U.S. defense requirements surveys.

(16) It encourages international military training programs by authorizing Coast Guard training, by authorizing a new reciprocal exchange training program, and by requiring that training programs be charged only the incremental costs of the program.

(17) It encourages NATO standardization by authorizing reciprocal catalog and data exchanges with NATO countries.

(18) It enhances Congressional control over politico-military affairs by requiring that the State Department Director of that office be confirmed by the Senate.

(19) It allows the President to make the People's Republic of China (and Tibet) eligible for assistance if he certifies that to do so is important to the security of the United States.

(20) It provides procedures to assure the solvency of the FMS Guaranty Reserve Fund.

SUMMARY OF MAJOR AUTHORIZATIONS

The Committee recommends authorization of appropriations of $7,264.5 million for the fiscal year 1984 foreign assistance programs contained in this bill. This is a modest reduction from the revised Presidential request of $7,295.8 million. In authorizing these funds, however, the Committee has increased asssistance levels for Israel, Egypt, development assistance programs and UN voluntary programs above the President's request. The Committee also reduced "on budget" military aid programs. These reductions are at least partically offset on a country-by-country basis by the provision of less concessional military loans. The Committee believes that these modifications, with the overall total request, result in a bill that is adequately balanced between the security assistance and development assistance programs.

Table I summarizes the authorization of appropriations contained in this bill. Column (1) represents fiscal year 1982 actual appropriations. Column (2) represents the aid levels contained in the fiscal year 1983 Continuing Resolution. Column (3) contains the President's supplemental request. Column (4) contains the levels recommended by the Committee for fiscal year 1983, including the proposed supplemental. Column (5) represents the President's fiscal year 1984 request. Column (6) represents the Committee's recommendation for fiscal year 1984.

TABLE 1.—ASSISTANCE PROGRAMS IN BILL

[In fiscal years; millions of dollars]

	1982 actual (1)	1983 2d CR (2)	1983 revised request (3)	1983 recommendation (4)	1984 request (5)	1984 current markup (6)
Military assistance:						
FMS guaranty [1]	(3,083.5)	(3,638.0)	(4,163.0)	(4,080.8)	(4,656.0)	(4,506.0)
FMS direct	800.0	1,175.0	1,175.0	1,175.0	1,000.0	1,315.0
Grant military aid	178.5	290.0	477.0	422.0	747.0	384.0
El Salvador military aid						76.3
IMET	42.0	45.0	46.0	46.0	56.5	46.0
Peacekeeping operations	139.0	31.1	31.1	31.1	46.2	46.2
Antiterrorism					5.0	4.0
Subtotal (BA)	1,159.5	1,541.1	1,729.1	1,674.1	1,854.7	1,871.5
Economic support fund	2,919.3	2,661.0	3,015.5	2,979.0	2,949.0	2,946.0
Development assistance:						
Agriculture	700.0	700.0	700.0	700.0	725.2	728.0
Population	211.0	211.0	211.0	211.0	212.3	232.0
Health	133.4	133.4	133.4	133.4	100.7	142.0
Education and human resources	103.6	103.6	103.6	103.6	121.5	121.5
Selected Development Act	137.2	140.3	140.3	140.3	172.4	171.4
Science and technology	10.0	10.0	10.0	10.0	10.0	10.0
Sahel development	93.8	93.8	93.8	93.8	103.0	95.0
Pakistan DA						25.0
ASHA	20.0	20.0	20.0	20.0	7.5	30.0
Disaster assistance	107.0	25.0	25.0	25.0	25.0	25.0
Subtotal	1,516.0	1,437.1	1,437.1	1,437.1	1,477.5	1,579.9
AID retirement [2]	33.6	35.4	36.5	36.5	33.9	33.9
AID operating expenses	331.0	335.0	344.9	344.9	378.5	366.7
Subtotal	364.6	370.4	381.4	381.4	412.4	400.6
Other assistance:						
IO&P voluntary	215.4	249.0	253.5	253.5	190.0	264.0

Trade and development	6.9	10.5	10.5	10.5	22.0	21.0
International narcotics control	36.7	36.7	36.7	36.7	53.0	53.0
Inter-American Foundation	12.0	12.0	12.0	12.0	10.7	12.0
African Development Foundation					3.0	3.0
Peace Corps	105.0	109.0	109.0	109.0	108.5	113.5
Subtotal	376.0	417.0	421.7	421.7	387.2	466.5
Total budget authority	6,335.4	6,426.7	6,984.8	6,893.3	7,080.8	7,264.5
Revised Presidential request					(+)215.0	
Total					7,295.8	

[1] Off-budget loan guarantee.
[2] Permanent authorization, appropriations requested.

COMMITTEE ACTION

The following bills were referred to the Foreign Relations Committee and were considered and consolidated into an original bill:

S. 447, to modify the certification requirements relating to El Salvador contained in the International Security and Development Cooperation Act of 1981, which was introduced by Senator Helms on February 3, 1983;

S. 637, to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize security and development assistance programs for fiscal year 1984 and 1985, and for other purposes, which was introduced for the executive branch by Senator Percy on March 1, 1983;

S. 638, to authorize supplemental international security assistance for urgent purposes for the fiscal year 1983, and for other purposes, which was introduced by Senator Percy on behalf of the executive branch on March 1, 1983;

S. 688, to provide that unless the Government of El Salvador actively participates in negotiations with all major parties to the conflict which are willing to participate unconditionally in negotiations for the purpose of achieving a cease fire and an equitable political solution to hostilities, U.S. military support for El Salvador shall be terminated, with military assistance funds to be transferred for use for development and humanitarian assistance, which was introduced by Senator Hatfield on March 3, 1983;

S. 701, to further amend the Peace Corps Act, which was introduced for the executive branch by Senator Percy on March 8, 1983;

S. 714, to amend the Foreign Assistance Act of 1969 to authorize fiscal year 1984 appropriations for the Inter-American Foundation, and for other purposes, which was introduced by Senator Percy for the executive branch on March 8, 1983;

S. 822, to expand markets for United States agricultural commodities, expand authority for the use abroad of Commodity Credit Corporation stocks, require the export sale of Commodity Credit Corporation dairy products, improve program of Public Law 480 and for other purposes, which was introduced by Senator Helms on March 16, 1983;

S. 944, to authorize supplemental international security and development assistance for urgent purposes for the fiscal year 1983, and for other purposes, which was introduced by Senator Percy for the executive;

S. 1050, to amend the Arms Export Control Act to provide increased control by the Congress over the making of arms sales, which was introduced by Senator Byrd on April 14, 1983;

S. 1067, to assist other countries in the protection of endangered species and to enhance international understanding and knowledge of environmental issues, which was introduced by Senator Pell on April 15, 1983; and

S. 1143, to condition U.S. assistance to any country which is a major producer of opium, coca, or marijuana or reductions by that country in the levels of such production and for other purposes, which Senator Hawkins introduced on April 26, 1983.

The Foreign Relations Committee held 13 days of hearings relating to the consideration of the above legislation as follows:

February 2, 1983—Presidential certification on progress in El Salvador;

February 15, 1983—World economic outlook (Secretary of State Shultz);

February 15, 1983—Executive briefing on U.S. arms sales to Pakistan;

February 17, 1983—International Security Assistance Program: Fiscal year supplemental and fiscal year 1984 request;

February 25, 1983—Development assistance and Peace Corps Authorization;

March 2, 1983—Foreign assistance to Middle East;

March 8, 1983—Foreign assistance to Africa;

March 9, 1983—Foreign assistance to Europe;

March 11, 1983—Foreign assistance to East Asia;

March 14, 1983—Latin America;

March 16, 1983—Executive intelligence briefing on El Salvador;

March 22, 1983—Reprogramming request for El Salvador; and

April 12, 1983—U.S. policy toward Nicaragua and Central America.

Approximately 63 witnesses (4 from Congress, 34 executive branch officials and 25 from the private sector) testified during these hearings.

On March 23 and 24 the Committee considered the reprogramming request for El Salvador and on April 28, May 5, 10 and 12, 1983 the Committee met for the purpose of marking up the legislation listed above. During the four days of markup the following record votes were taken:

On May 5, an amendment for $50 million increase in grants (above last year's level) and $50 million less in FMS loan guarantees for Turkey was rejected 8-9. Those voting aye were Senators Percy, Baker, Helms, Lugar, Mathias, Kassebaum, Murkowski and Zorinsky; those voting nay were Senators Boschwitz, Pressler, Pell, Biden, Glen, Sarbanes, Tsongas, Cranston and Dodd.

On May 5, an amendment which would add on funds for development assistance but not reduce military assistance funds was rejected 7-9. Ayes: Senators Percy, Baker, Lugar, Mathias, Kassebaum, Boschwitz and Murkowski; nays: Senators Pressler, Pell, Biden, Glenn, Sarbanes, Zorinsky, Tsongas, Cranston and Dodd.

On May 5, an amendment to transfer MAP and ESF funds to development assistance was agreed to 10-7. Ayes: Senators Mathias, Pressler, Pell, Biden, Glenn, Sarbanes, Zorinsky, Tsongas, Cranston and Dodd; nays: Senators Percy, Baker, Helms, Lugar, Kassebaum, Boschwitz and Murkowski.

On May 10, an amendment to adopt the administration's original request for military and economic funds for El Salvador was rejected 6-11. Ayes: Senators Percy, Baker, Helms, Lugar, Boschwitz and Murkowski; nays: Senators Mathias, Kassebaum, Pressler, Pell, Biden, Glenn, Sarbanes, Zorinsky, Tsongas, Cranston and Dodd.

On May 10, an amendment to cap military funds for El Salvador and to provide for training of Salvodorans in the United States was agreed to 17-0. Ayes: Senators Percy, Baker, Helms, Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Murkowski, Pell, Biden, Glenn, Sarbanes, Zorinsky, Tsongas, Cranston and Dodd.

On May 10, an amendment for restoration of security assistance funds was rejected 8–9. Ayes: Senators Percy, Baker, Helms, Lugar, Mathias, Kassebaum, Boschwitz, and Murkowski; nays: Senators Pressler, Pell, Biden, Glenn, Sarbanes, Zorinsky, Tsongas, Cranston and Dodd.

On May 12, an amendment to prohibit aid to China until democratic reforms are made was rejected 1–10. Ayes: Senator Helms; nays: Senators Percy, Lugar, Murkowski, Pell, Biden, Glenn, Zorinsky, Tsongas, Cranston and Dodd.

On May 12, an amendment on the importation and sale of South African Krugerrands in the United States was agreed to 10-3. Ayes: Senators Percy, Kassebaum, Boschwitz, Pell, Biden, Glenn, Sarbanes, Tsongas, Cranston and Dodd; nays: Senators Helms, Murkowski and Zorinsky.

An original bill was ordered reported on May 12 by a vote of 15–0. Ayes: Senators Percy, Baker, Lugar, Kassebaum, Boschwitz, Pressler, Murkowski, Pell, Biden, Glenn, Sarbanes, Zorinsky, Tsongas, Cranston and Dodd. The required budget waiver was passed by the same vote.

Committee Comments

A. SECURITY ASSISTANCE PROGRAMS

The Committee spent considerable time and effort in considering the appropriate level of fiscal year 1984 security assistance programs. Reductions from the Administration's request were initially proposed by Chairman Percy. Further reductions were proposed by Senator Sarbanes and adopted by a vote of 10 to 7. At the Chairman's request the Committee subsequently considered restoration of some of these security assistance reductions. After defeat of an effort to restore both grant MAP and ESF funds, a compromise was proposed by the Chairman which restored $30 million in Economic Support Funds for Africa. Senator Kassebaum then introduced an amendment which was adopted to earmark ESF funds for Africa. Senators Percy and Boschwitz both offered amendments earmarking other parts of the ESF program. Since the grant MAP program levels were reduced dramatically, no earmarks were proposed for that account.

In considering the final level of security assistance programs, the Committee had before it two documents which were particularly important. The first was an April 21 letter from Secretary Shultz to Chairman Percy. The second was a May 5 letter to Senator Kassebaum from Congressman Julian Dixon. The texts of these two letters are included below.

Table 2 shows the proposed allocation of fiscal year 1984 security assistance programs. The Committee intends that should this country-by-country allocation not be implemented, that the Administration shall report to the Committee on any modification.

THE SECRETARY OF STATE,
Washington, D.C., April 21, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: Your Committee begins mark-up of the fiscal year 1984 Foreign Assistance request and the fiscal year 1983 Supplementals at a crucial time in world affairs. It is imperative that the Committee realize the importance of authorizing a level of resources that will enable the President to implement his foreign policy effectively.

The Administration has submitted a fiscal year 1984 budget request for $9.6 billion in budget authority to support total foreign aid programs of $14.3 billion. In addition, we are proposing fiscal year 1983 Supplemental requests for $251 million to meet urgent requirements in Lebanon, $1.071 billion for global economic and security assistance activities and $8.5 billion for increased IMF resources. Let me underscore that these resources are directly linked to critical U.S. national security and economic objectives:

> In the troubled Middle East, these funds contribute directly to the search for peace. As you know, our negotiations with the parties involved are at a particularly sensitive crossroad. Without these resources, our ability to play a major peacemaker role could be compromised.
>
> The proposed levels reinforce base agreements just negotiated and complete those still in progress. Cuts in our assistance levels could easily translate into reduced flexibility for key U.S. defense operations. Important negotiations in Spain, Portugal, Turkey and Greece could be imperiled by any precipitous cut in funding.
>
> We have developed specific plans with Kenya, Pakistan, Oman and Tunisia to supply defensive equipment over the next several years. These countries are at risk because of their relationship with the U.S. and any diminution of support could lead them to question our reliability as a partner and to doubt the strength of our relationship with them.
>
> Our ability to rekindle global growth, at a time when LDC's may well succumb to the temptations of repressive or radical solutions, would be seriously constrained without these resources. The funds requested for the International Monetary Fund and the multilateral development banks help promote the basis for a sound and stable international economy and free market development in Third World countries.
>
> In Central America, and in El Salvador especially, these resources are the critical ingredient for the development of political and economic stability—our answer to the marxist-supported violence which threatens human and democratic freedoms in the region.

Mr. Chairman, the legislation you enact must also provide the maximum possible flexibility for the conduct of foreign affairs. Earmarks or restrictions on the use of funds seriously hamper our ability to respond to unforeseen or fast-breaking crises. Similarly, increases beyond the President's request for individual countries or programs only add to our budget deficit and crowd our vitally needed assistance for countries where critical U.S. interests are seriously at stake. Let me remind you that the Continuing Resolution for fiscal year 1983 placed several country programs in jeopardy because of unjustified increases or earmarks for other activities.

Let me close by simply underscoring the urgency of the request. As the President said in his State of the Union address, these programs are based on realism and represent a critical investment in the future of the human race. We look to you and your Committee for bipartisan leadership and cooperation in implementing this legislation.

Sincerely yours,

GEORGE P. SHULTZ.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 5, 1983.

Senator NANCY KASSEBAUM,
Chair, Africa Subcommittee, Foreign Relations Committee, U.S. Senate, Washington, D.C.

DEAR NANCY: As Chairman of the Congressional Black Caucus and a Member of the Appropriations Subcommittee on Foreign Operations, I am writing to share my concern that actions by the Foreign Relations Committee may result in significant reductions in bilateral economic assistance to some of our closest allies on the African continent.

While I share fully the sentiments which produced an increased earmarking of Economic Supports funds for Israel, the reality is that without an overall increase in the account or other legislative action, ESF programs in Africa are likely to be substantially reduced by the Department of State.

Lessening of economic assistance to many of these African nations would have a crippling effect on their ability to cope with the problem of economic recovery. I know you share my view that nations such as Liberia, Kenya, Sudan, and Zimbabwe are extremely important to the United States' interests in the world. Modest ESF programs in Niger and Senegal help to deter Libyan adventurism, and our Southern Africa regional account and assistance to Zambia help to provide some measure of stability and economic cooperation in the troubled Southern Africa region.

Although the Members of the Congressional Black Caucus have not had the opportunity to review, as a group, the respective foreign aid authorization pending in the House and Senate, I believe we share a common concern that sound economic assistance programs for Africa must not be reduced below those levels proposed by the Administration.

It is my hope that you and your colleagues may be able to take some actions to ensure that the Committee's recommendations will not result in a reduction of our economic assistance to Africa. Thank you for your consideration and support.

Sincerely,

JULIAN C. DIXON,
Member of Congress.

TABLE 2.—FISCAL YEAR 1984 SECURITY ASSISTANCE PROGRAMS IN BILL

	Actual fiscal year 1982			Continuing resolution fiscal year 1983 [1]			Fiscal year 1984 request			Fiscal year 1984 committee recommendation		
	MAP/FMS grant	FMS loans	ESF	MAP/FMS grant	FMS loans	ESF	MAP/FMS grant	FMS loans	ESF	MAP/FMS grant	FMS loans	ESF
Near East:												
Israel	550.0	850.0	806.0	750.0	950.0	785.0	550.0	1,150.0	785.0	850.0	850.0	910.0
Egypt	200.0	700.0	771.0	425.0	900.0	750.0	450.0	850.0	750.0	465.0	900.0	750.0
Pakistan			100.0		200.0	200.0		300.0	225.0		280.0	175.0
Jordan		55.0	15.0		40.0	15.0		115.0	20.0		110.0	20.0
Lebanon		10.0	6.0		10.0	4.5		15.0			15.0	
Morocco		30.0		25.0	23.0		30.0	60.0	7.0	25.0	65.0	7.0
Tunisia		95.0	5.0	5.0	62.0	5.0	50.0	90.0		25.0	115.0	5.0
Oman		30.0	15.0		30.0	15.0		45.0	15.0		45.0	15.0
Other	1.0	12.0	11.1	1.0	4.0	12.5	15.0		15.0	5.0		15.0
Subtotal	751.0	1,781.9	1,729.1	1,286.0	2,219.0	1,787.5	1,095.0	2,625.0	1,817.0	1,370.0	2,380.0	1,897.0
East Asia:												
South Korea		166.0			140.0			230.0			230.0	
Thailand	4.5	74.7	5.0	9.0	57.0	5.0	5.0	94.0	5.0	5.0	94.0	5.0
Philippines		50.0	50.0		50.0	50.0		50.0	50.0		50.0	50.0
Indonesia		40.0			20.0			50.0			50.0	
Other		10.0	.5		4.0			12.5			12.5	
Subtotal	4.5	340.7	55.5	9.0	271.0	55.0	5.0	436.5	55.0	5.0	436.5	55.0
Europe:												
Turkey	57.0	343.0	300.0	110.0	290.0	245.0	230.0	525.0	175.0	110.0	605.0	175.0
Greece		280.0			280.0			500.0			500.0	
Spain		125.0	22.0		400.0	12.0		400.0	12.0		400.0	12.0
Portugal	20.0	45.0	20.0	37.5	52.5	20.0	60.0	45.0	40.0	50.0	55.0	40.0
Cyprus			15.0			15.0			3.0			15.0
Poland			5.0									
Subtotal	77.0	793.0	362.0	147.5	1,022.5	292.0	290.0	1,470.0	230.0	160.0	1,560.0	242.0
Latin America:												
El Salvador	63.5	16.5	115.0	8.5	16.5	140.0	55.0	30.0	120.0	(2)	(2)	120.0

TABLE 2.—FISCAL YEAR 1984 SECURITY ASSISTANCE PROGRAMS IN BILL—Continued

	Actual fiscal year 1982			Continuing resolution fiscal year 1983 [1]			Fiscal year 1984 request			Fiscal year 1984 committee recommendation		
	MAP/FMS grant	FMS loans	ESF	MAP/FMS grant	FMS loans	ESF	MAP/FMS grant	FMS loans	ESF	MAP/FMS grant	FMS loans	ESF
Costa Rica	2.0		90.0	1.0		50.0	2.0		70.0	2.0		70.0
Honduras	11.0	19.0	36.8	10.5	9.0	15.0	40.0		40.0	20.0	4.5	30.0
Jamaica	1.0	1.0	90.5	1.0		50.0	4.0		55.0	3.0		55.0
Guatemala			10.0			10.3		10.0	40.0		10.0	25.0
Dominican Republic	1.0	4.0	41.0		1.0		5.0		40.0	3.0		35.0
Other	1.0	24.3	94.6	1.0	5.3	5.0	3.8	48.0	33.0	2.3	48.0	25.0
Subtotal	79.5	64.8	477.9	22.0	31.8	270.3	109.8	88.0	398.0	30.3	62.5	360.0
Africa:												
Sudan	50.0	50.0	100.0	25.0		70.0	60.0		120.0	42.5		120.0
Kenya	10.0	22.0	10.7	5.0	10.0	30.0	23.0	12.0	42.0	14.5	18.0	42.0
Somalia	15.0	10.0	20.0	10.0	11.5	21.0	40.0		35.0	20.0	20.0	35.0
Zimbabwe			75.0			60.0		3.0	75.0		3.0	75.0
Liberia	5.0	7.0	35.0	4.0	6.0	32.0	13.0		35.0	8.5	4.5	35.0
Zaire	3.0	7.5		2.0	2.0		10.0	5.0	10.0	2.0	5.0	5.0
Other		6.6	54.1		4.2	53.0	10.0	16.5	92.0	5.0	16.5	80.0
Subtotal	83.0	103.1	294.8	46.0	33.7	266.0	156.0	36.5	409.0	92.5	67.0	392.0
Net MAP/spec. req.	−16.5			91.2			91.2		40.0	41.2		
Total	978.5	3,083.5	2,919.3	1,465.0	3,638.0	2,661.0	1,747.0	4,656.0	2,949.0	1,699.0	4,506.0	2,946.0

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[1] In addition to the Continuing Resolution, the Committee authorized supplemental appropriations for all three accounts. The Committee believes the Administration should have the flexibility to allocate these funds. The recommended totals are grant MAP ($422 million), ESF ($2,979 million) and FMS loans ($4,080.8 million).

[2] Authorized separately with a military aid ceiling of $76.3 million.

B. DEVELOPMENT ASSISTANCE PROGRAMS

The Committee believes that a balance must be struck between military and economic, security and development assistance levels in the bilateral foreign aid program. In this regard, the Committee notes that the President's fiscal 1984 foreign aid request included significant increases in grant military aid, in military training, and in foreign military sales guarantees above the current levels of funding provided in the Continuing Resolution. In contrast, the President requested a 4 percent increase for development assistance above the continuing resolution level. Several members of the Committee believe that these proposed increases constitute a distortion in the priorities that ought to be reflected in the bilateral aid program. It was in this spirit that the Committee adopted a provision that transferred 1 percent of security assistance totals to the development assistance programs.

Development assistance is a useful tool for the United States as it attempts to help many of the poorer, developing nations out of the economic depression that has afflicted much of the third world since the late 1970's.

The Committee believes that in this difficult economic period, every penny of "foreign aid" has to be justified. The Committee further believes that there is ample justification for our relatively modest development assistance program. The fact is that the U.S. aid program, in per capita terms, and as a percentage of gross national product, has steadily declined for the past two decades to the point where today less that 1 percent of the federal budget is for this purpose ranking the United States 13th among the industrialized Western donor nations.

The United States provides aid because it is in its interest to do so. The developing nations are of increasing importance to U.S. economic, political and security interests. Last year the U.S. exported more to these Third World markets than to Japan, and Western Europe combined. Our fastest growing trade relationship is with these nations. At least 2 million U.S. jobs are directly linked to the continued expansion of this trade which in 1980 was worth $60 billion in U.S. exports. In agriculture it is estimated that 25 percent of total U.S. gross farm income is dependent on third world exports.

The United States is also dependent upon these nations as suppliers of strategic minerals and raw materials for its industrial and technological base. Each year we import $50 billion worth of minerals from the third world including 100 percent of our ferrocolumbium, graphite and natural rubber, 99.5 percent of our stronthium, 95 percent of our tin, 88 percent of our bauxite, 75 percent of our cobalt and dozens of other materials essential to our economy, and national defense.

Finally, the Committee notes that most of the dollars provided by the United States for foreign aid are spent in the United States to procure U.S. goods and services (averaging $2.5 billion a year for the past 5 years). It has been estimated that as many as 600,000 U.S. jobs are supported by these expenditures and that 50,000 new jobs are created here at home each year as a result of the exports generated by the multilateral development banks (e.g. World Bank) to which the U.S. contributes funds. In addition, much of the bilateral aid we provide is in the form of loans. Most Americans are unaware of the fact that since 1947 developing country aid recipients have repaid $25 billion in principal and interest to the U.S. Treasury.

C. ASSISTANCE TO ISRAEL AND EGYPT

One of the first actions taken by the Committee during the markup was approval of the same aid figures for Israel that the Committee recommended last year in the Security Assistance Enhancement Act of 1982. (The Enhancement bill passed the Committee last March but was not called up on the Senate floor). By voice vote, without dissent, the Committee passed a motion formulated by Senators Percy, Cranston and Tsongas which would provide $850 million in FMS grants, $850 million in FMS loans guarantees, and $910 million in ESF grants. The figures compare with the fiscal year 1983 Continuing Resolution's funding of $750 million in FMS grants, $950 million in FMS loan guarantees and $785 million in ESF. For fiscal year 1984, the Administration requested $550 million in FMS grants, $1.150 billion in FMS loans and $785 million in ESF. The Committee thought the Administration's proposed levels were inadequate, as demonstrated by the Committee and Congressional actions last year.

Despite recent strains in U.S.-Israeli relations over Lebanon, the basic considerations concerning the Committee's support for Israel have not changed. These include a strong basic support for the security and continued existence of Israel (a concern—heightened by the recent flow of Soviet missiles and aircraft into Syria); a belief that Israel is a strategic asset to the United States and the West; and, a concern that the arms race in the Middle East has had a weakening effect on Israel's military position and on its economy. As the Committee said in its report on the Enhancement Bill last year:

> The Committee is concerned that the economic problems of Israel pose as much a threat to its security as losing the qualitative edge over their potential adversaries in the region. This is a problem which the U.S. and Israel must give highest priority.

Thus, during this year's markup, as well as last year's, a major factor in the Committee's decision was Israel's growing debt repayment burden.

AID testified that the total Israeli debt was approximately $20.5 billion as of December 31, 1982, of which about $9.2 billion, or 45 percent was owed to the U.S. Goverment. Total debt service in 1983 will be $3.3 billion to $4.2 billion, of which approximately $1.1 billion will be paid to the U.S. Government. At least $907 million of this is for the repayment of FMS loans. Since fiscal year 1982, Israel has been paying the U.S. more in repayments for previous military and economic loans than it is receiving in current economic assistance.

Repayment levels will continue to rise because of the aftermath of the 1973 Middle East war. U.S. assistance to Israel had been relatively low until Egypt and Syria's surprise attack on Israel which lanunched the October 1973 war. The United States airlifted equipment and munitions to Israel to replace that destroyed or consumed in the fighting. Subsequently, the United States also provided FMS guaranteed loans to help Israel modernize its equipment as the Arab countries began utilizing their increased oil revenues to buy sophisticated aircraft and armor in large quantities. The FMS loans to Israel contained a 10-year grace period during which Israel paid interest but did not repay principal. That 10-year period is now expiring for the equipment obtained in 1973. A January GAO report said that during the next several years, Israel could encounter debt repayment problems as large principal repayments begin.

The U.S. ESF assistance to Israel has been $785 million per year since 1978. During the March 2 foreign assistance hearings by the Subcommittee on the Near East and South Asia, Senator Sarbanes, the ranking minority member, emphasized that Israel's debt repayment to the U.S. has been rising while the amount of economic assistance has remained constant, thus the net benefit is diminishing.

Senator Cranston, the original sponsor this year and last of the amendment raising the ESF level to $910 million, noted that Israel's foreign debt was $5 billion before the 1973 war and had quadrupled since then. He also emphasized that the U.S. had joined other nations in large scale arms sales to the Arabs, which caused Israel to spend more on its defense.

This was also a factor in the increase in the grant portion of the FMS assistance. In the Enhancement Bill for fiscal year 1983, the Administration proposed raising the total Israel FMS package from $1.4 million to $1.7 million by adding $300 million grants and $850 million loans.

The $300 million was part of a package the Administration had discussed with the Israelis in the context of their concerns about the potential additional military threat and problems posed by the 1981 AWACS and F-15 enchancement package sale to Saudi Arabia. Israel subsequently was given permission to purchase an additional 11 F-15's, at a cost of more than $500 million. In the Committee's view, Israel should not have to increase its debt burden because of the additional equipment needed to offset the U.S. sale to Saudi Arabia. Accordingly, the Committee voted to convert the $300 million proposed loan into a grant.

TABLE 3.—AID TO ISRAEL

[In millions of dollars]

	Actual fiscal year 1982	Continuing resolution, fiscal year 1983	Administration's request	Committee's approval
Economic assistance: ESF (grant)	806	785	785	910
Military assistance:				
FBS total	1,400	1,700	1,700	1,700
Grant	(550)	(750)	(550)	(850)
Loans	(850)	(950)	(1,150)	(850)

The Committee also cited growing debt repayment problems and support for the Middle East peace process in increasing FMS loans and grants for Egypt. By voice vote, without dissent, the Committee approved a proposal by Senator Mathias to add $50 million in FMS loans and $15 million in FMS grants to the Administration's request, thus authorizing a total of $900 million in FMS loans and $465 million in FMS grants for fiscal year 1984. The fiscal year 1983 Continuing Resolution provided $900 million in FMS loans and $425 million in FMS grants. This in itself was an increase above the fiscal year 1982 level of $700 million in FMS loans and $200 in FMS grants. The Committee did not change the Administration's request of $750 million in ESF.

In proposing the FMS increase for Egypt, Senator Mathias said that just as the United States was concerned about Israel's survival, it also is concerned about Egypt, which he described as the other essential partner in the Middle East peace process. He noted that the Egyptian leadership is under pressure from Muslim fundamentalists, neighboring Libya, and other countries that oppose Egypt's participation in the Camp David peace efforts. Senator Percy observed that one result of Egypt's search for peace was a cut off of assistance from oil producing nations. Senators Percy and Mathias also noted that the additional $65 million in military aid for Egypt could allow then to finance additional military purchases, such as the A–10.

The AID 1983 "Report on the Egyptian Economy and Debt Repayment Prospects"; said medium and long term civilian debt amounts to $13.5 billion, or 62 percent of GNP. The FMS debt adds another $2 billion. Short term debt rose by at least $1 billion during the first half of 1982, and increase of one-third.

Egypt's interest payments for the FMS loans are continuing to grow as the credits are drawn for equipment being purchased from the United States. The interest payments for 1982 were $190 million and are expected to reach $450 million by 1985.

The United States-Egyptian relationship has developed to the point that arms sales to Egypt, as also is the case with Israel, are often agreed to in advance of approval of the necessary funding by Congress. One example is the approval last summer of four E2C "Hawkeye" early warning planes for Egypt, costing nearly $700 million. Significant FMS funding also is required to help Egypt make progress payments on previous orders, including 80 F–16 jet fighter-bombers, 659 M–60A3 tanks, and 1,000 armored personnel carriers.

During the markup, Senator Tsongas and other members voiced concern about the House Foreign Affairs Committee's action in recommending a reduction of $25 million in the Administration's proposed $250 million Public Law 480 assistance to Egypt. Although this Committee does not have jurisdiction over the Public Law 480 program, it wishes to express its disagreement with this reduction. The Committee hopes the Senate Agriculture Committee will take compensating action.

The Committee also remains dismayed by the continuing delay and difficulties in implementing the economic assistance program to Egypt. The pipeline is now at about $2.7 million, an increase of approximately $200 million in the past year. It is hoped that efforts to streamline the procedures here and in Egypt will be given high priority by both governments, for the continued delays erode the support and patience for the program.

TABLE 4.—AID TO EGYPT

[In millions of dollars]

	Actual fiscal year 1982	Continuing resolution fiscal year 1983	Administration's request	Committee approved
Economic assistance:				
ESF	771	750	750	750
Public Law 480	301	271	250	250
Military assistance:				
FMS total	900	1,325	1,300	1,365
Grant	(200)	(425)	(450)	(465)
Loan	(700)	(900)	(850)	(900)

D. ASSISTANCE TO GREECE AND TURKEY

The Committee believes that it should be the policy of the United States that the current military balance between Greece and Turkey should be retained through the 7:10 military assistance ratio for Greece and Turkey, and that similar steps should be taken to maintain the qualitative military balance between the two countries.

The Committee, therefore, intends that the military assistance levels for the two countries be distributed as follows for fiscal year 1983 and fiscal year 1984:

TABLE 5.—ASSISTANCE TO GREECE AND TURKEY

	Fiscal year 1983			Fiscal year 1984		
	FMS	MAP	Total	FMS	Map	Total
Greece	280		280	500		500
Turkey	290	110	400	605	110	715

In providing increased amounts for these countries, the Committee is proceeding on the expectation that each country will provide the United States with continued and adequate access to military facilities in each country. The Committee anticipates that should this expectation not be fulfilled, the Administration will in consultation with the Congress, re-examine the aid levels to determine appropriate levels.

E. ASSISTANCE TO EL SALVADOR

The Committee set limits on military assistance to El Salvador at not more than $76.3 million in fiscal year 1983 and fiscal year 1984 and set Economic Support Fund assistance at not more than $140 million for fiscal year 1983 and $120 million for fiscal year 1984. The Committee also asked for additional progress reporting on various aspects of the situation in El Salvador.

Table 3 provides an overview of funding for El Salvador and shows how the Committee's recommendations for funding compare with the historical pattern. The recommended overall authorization levels for El Salvador are consistent with recent trends. Overall funding recommended for fiscal year 1983 represents a 13 percent increase over fiscal year 1982 levels, while the recommendation for fiscal year 1984 recedes to the 1982 level.

Seventy-one percent of the funding level established for fiscal year 1983 is for economic assistance (Development and Economic Support) as compared with 64 percent and 67 percent in fiscal year 1982 and fiscal year 1983, respectively. Military assistance levels are also consistent with previously established requirements. In fiscal year 1982 the United States spent $80 million in MAP and FMS loan guarantees in El Salvador. The initial Administration request for military assistance for fiscal year 1983 was $60 million in FMS loan quarantees and MAP, though the Continuing Resolution authority provided only $25 million in these two accounts.

In addition to setting ceiling on levels of military assistance and Economic Support Funds for El Salvador in fiscal year 1983 and fiscal year 1984, the Committee adopted other language affecting assistance to that country. The bill stipulates that $20 million of the $76.3 million in military assistance may be used only training in the United States and that no more than 55 U.S. military trainers and advisors may be in El Salvador at any one time. These provisions were adopted with the belief that training out-of-country has been more effective than training in-country and that the number of U.S. military personnel in El Salvador be kept at a minimum. There was concern that the United States not become militarily involved in the Central American turmoil and that other Central American countries not become involved in the Salvadoran conflict. The bill also stipulates that 25 percent of the counterpart funds generated by the Economic Support Funds would be used for the Salvadoran economic reform program.

The Committee adopted an amendment presented by Senator Percy that extends the requirement for Presidential certification at 180-day intervals as a condition for the continuation of military assistance through fiscal year 1984. The Percy amendment makes two changes in present certification language to require (1) consideration of efforts to improve the independence and effectiveness of the judicial process in assessing progress in human rights, and (2) certification on the good-faith efforts to find and bring to justice the murderers of Americans in El Salavador. An amendment proposed by Senator Glenn was adopted requiring that a report and subsequent progress reports on El Salvadoran Government plans to eliminate right-wing terrorists and death squad activities and to bring judicial proceedings against individuals involved in such activities. The Committee also adopted an amendment, proposed by Senator Helms, requiring a report on leftist terrorist activities to accompany reports justifying certification on human rights, economic and social reforms and political processes as required in existing law.

TABLE 6.—U.S. ASSISTANCE TO EL SALVADOR, 1979–84

[In millions of dollars]

	1979	1980	1981	1982	Continuing resolution	Revised 1983	1984 request	SFRC 1983	Markup, 1984
Development assistance	6.9	43.2	33.1	36.2	25.0	48.1	38.0	48.1	38.0
ESF		9.1	44.9	[1] 115.0	105.0	140.0	120.0	140.0	120.0
FMS		5.7	10.0	16.5	16.5	[2] 76.5	30.0	75.0	75.0
MAP			25.0	[3] 63.5	8.5	[4] 58.5	55.0		
IMET		.2	.5	2.0	1.3	1.3	1.3	1.3	1.3
Total	6.9	58.2	113.5	233.2	156.3	324.4	244.3	264.4	234.3
Of which military equals		5.9	35.5	82.0	26.3	136.3	86.3	76.3	76.3

[1] Includes CBI funds ($75 million).
[2] Includes $60 million reprogramming request.
[3] Includes $55 million section 506 drawdown.
[4] Includes $50 million supplemental request.

F. REPAYMENT OF FMS GUARANTEED LOANS AND PLACING THIS PROGRAM ON BUDGET

During the Committee mark-up several Senators raised the issue of the heavy burden many friendly nations are facing because of having to repay principal and interest on previous FMS, Development, and Public Law 480 loans. These expenses were cited as contributing to the need to increase funding for Israel and Egypt, the two nations facing the largest debt repayment. Senator Mathias noted that Egyptian debt serving increased by more than a third between fiscal year 1983 and fiscal year 1984.

Senator Boschwitz, in arguing for maintaining the President's requested levels for Tunisia and Morocco, noted that these two States were in fact repaying more to the United States then they were receiving in grant assistance. Others observed that high interest rate military loans created long-term economic problems for many recipient states.

There are three items in the bill related to this debt problem. First, fiscal year 1984 grant military assistance and FMS forgiven loans are recommeded for an increase above the fiscal year 1983 continuing resolution level.

Second, Section 211 of the bill provides an annual authorization for appropriations of $100 million to replenish the FMS Guaranty Fund. This will help to assure that the existing FMS guaranty program remains solvent.

And third, Senator Percy introduced an amendment which would have placed the FMS guaranty program on-budget. More than 4.5 billion FMS guaranty authority, financed through the Federal Financing Bank, is included in this bill. This form of financing has an economic impact for the United States and creates debt repayment problems for recipient nations. FDB financing creates the same demand in financial markets as does deficit financing. Many nations find repaying non-concessional loans contribute to debt servicing difficulties.

A January 19, 1983 GAO study recommends that the foreign military sales program be put on-budget and that financing of the program be tailored to the ability of countries to repay their loans. These conclusions were based on the following reasons:

Off-budget loans do not show the total expenditure for foreign military assistance and requires the United States to charge the recipient a high interest rate;

Some countries cannot afford the high interest charges associated with these off-budget loans; and

Loans delay but do not resolve the problem of how to fund military imports for less developed countries.

Other Members of the Committee expressed their concern about the FMS guaranty program and the view that a remedy of this problem must be found. Senator Percy withdrew his amendment after suggesting that both the Office of Management and Budget and the Congressional Budget Office review the problem.

G. USE OF SECTION 506 AND SECTION 614 FOREIGN ASSISTANCE AUTHORIZATION

The Committee notes that under present law, the President has extraordinary powers to draw down defense stocks or to waive Congressional mandated limitations and controls under law. The Committee believes that given the breadth of these extraordinary authorities, it is important that they not be used merely in a routine way that circumvents the authorizing and appropriating role of Congress.

Recently, however, some Administration officials have indicated that the Administration might resort to use of special powers under sections 506 and 614 of the Foreign Assistance Act in order to provide assistance to controversial countries without Congressional approval. For example, some Administration officials had indicated that the situation might warrant an "emergency" drawdown of defense stocks under section 506(a) if Congress did not authorize additional U.S. military assistance for El Salvador in fiscal year 1983. Last year during Congressional debate on the sale of AWACS to Saudi Arabia, an Administration official hinted that it might employ the current section 614(a) to conclude the sale without any opportunity for Congressional disapproval.

The Committee notes that the Administration wisely chose not to use these extraordinary authorities to circumvent Congressional intent in these two cases. The Committee urges the Administration to continue its policy of using these extraordinary authorities sparingly, and then only on the basis of prior consultation with the Congress.

H. GOVERNMENT FURNISHED EQUIPMENT

Senators Dodd, Sarbanes, and Mathias have written to Chairman Percy concerning the interpretation of report language associated with Public Law 99-392. The purpose of that bill was to authorize the sale of defense articles to United States companies for incorporation into end items to be sold to friendly foreign countries. The text of their letter is included below. The Committee believes that this request merits early consideration by the Committee. The Committee will request that the General Accounting Office review the suggested change on an urgent basis so that appropriate action can be taken when this bill is considered on the Senate floor.

May 13, 1983.

Hon. Charles H. Percy,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: I am writing to you regarding the amendment (Public Law 97-392) approved last year to the Arms Export Control Act and the Committee's report language concerning that amendment.

As you know, the basic purpose of Public Law 97-392 was to authorize the sale of defense articles to United States companies for incorporation into end items to be sold to friendly foreign countries.

While the intent of the provision is clear, the interpretation in the Committee's report (p. 3) seems to place an unintended restriction on the sale of certain defense articles to U.S. manufacturers. Specifically, for example, this interpretation would preclude the sale of such defense articles when the purchaser/manufacturer does not actually undertake the final assembly process. The fact that a U.S. manufacturer, while producing a major component for a weapons system, does not perform final assembly at his facility should not prevent such manufacturers from obtaining the defense articles which Public Law 97-392 was purposefully designed to authorize.

In order to carry out the intent of this provision, the Committee report language could be clarified. The Committee could restate the legislative intent behind this amendment and clarify it in a way that would eliminate the possibility of the unintended exclusion described above.

I hope this revision can be undertaken expeditiously and the Administration can be notified of its result in a similar fashion.

With best wishes,

Sincerely,

Charles McC. Mathias, Jr.,
U.S. Senator.

U.S. Senate,
Committee on Foreign Relations,
Washington, D.C., May 12, 1983.

Hon. Charles H. Percy,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: We are writing to you regarding the amendment (Public Law 97-392) approved last year to the Arms Export Control Act and the Committee's report language concerning that amendment.

As you know, the basic purpose of Public Law 97-392 was to authorize the sale of defense articles to United States companies for incorporation into end items to be sold to friendly foreign countries.

While the intent of the provision is clear, the interpretation in the Committee's report (p. 3) seems to place an unintended restriction on the sale of certain defense articles to U.S. manufacturers.

Specifically, for example, this interpretation would preclude the sale of such defense articles when the purchaser/manufacturer does not actually undertake the final assembly process. To our way of thinking, the fact that a U.S. manufacturer, while producing a major component for a weapons system, does not perform final assembly at his facility should not prevent such manufacturers from obtaining the defense articles which Public Law 97-392 was purposefully designed to authorize.

Accordingly, we believe that in order to carry out the intent of this provision, the Committee report language should be clarified. We urge that the Committee re-evaluate the legislative intent behind this amendment and clarify it in a way that would eliminate the possibility of the unintended exclusion described above.

We hope this revision can be undertaken expeditiously and the Administration can be notified of its result in a similar fashion.

Sincerely,

PAUL S. SARBANES,
U.S. Senator.
CHRISTOPHER J. DODD,
U.S. Senator.

I. PROCEDURES TO AVOID MISUSES OF AID FUNDS

Over many years the Committee has observed that in developing countries facing internal turmoil, invariably the risks of diversion, loss, serious delay, non-delivery and other misuses of U.S. assistance are high. These dangers are particularly great in conditions of extensive natural disaster and where war or dissident or insubordinate forces disrupt normal administrative procedures and controls within a country, providing special motivations and incentives for diversion of aid from those whose lives or livelihood may depend on it to those bent on undermining what we are attempting to support. Where these circumstances pertain in aggravated form, U.S. aid administering authorities must take exceptional measures to minimize risk of aid loss and misuse. Failure to do so has three serious results. First, it thwarts the alleviation of suffering, prevents food, medical and production supplies from meeting urgent human needs and may even permit the ruthless to profit from the suffering of others. Second, it disrupts or neutralizes our efforts to support development and promotion of basic human needs. Third, it destroys public confidence and support for U.S. aid to these countries.

Of particular concern in such disrupted nations is the use of Economic Support Fund programs, having procedures often less closely administered, which may be more subject to diversion or misuse.

To preclude such diversions, loss and other misuse from occurring, the Committee asks the cooperation of the Agency for International Development and the Department of State in taking exceptional preventative measures in all aid recipient countries where aggravated conditions of natural disaster or internal turmoil or dissention exist.

In line with these concerns, the Committee urges that State and AID consult periodically with Committee staff over the next year regarding extraordinary measures being taken in countries where precautions appear appropriate. In addition it strongly urges that in such countries, State and AID take immediate steps (1) to intensify procedures for monitoring, identifying and preventing diversion loss, delay and other misuse and unintended use of U.S. financial aid goods and services, and (2) to obtain active cooperation of U.S. private and voluntary organizations working with U.S. assistance programs as well as host government officials and agencies in supporting these procedures. These steps should cover assistance provided under FAA Part I Chapter 1, Chapter 2 Title XII and Part II, Chapter 4, as well as Public Law 480 programs.

The Committee intends to request the General Accounting Office also to assist in this process to contribute to a fuller understanding of situations where particularly high risks exist and of types of procedures likely to be most effective in combatting them.

J. TRADE AND AGRICULTURAL EXPORT ORIENTATION OF THE FOREIGN AID PROGRAM

A priority concern of the Committee in acting on this legislation has been to support and to reinforce the mutuality of benefits from foreign assistance. At a time of severe economic hardship in the United States, every appropriate avenue must be followed to maximize the exent to which U.S. suppliers contribute to third world development by themselves providing the goods and services required, and financed by the United States, consistent with the objectives of U.S. assistance programs. Fuller U.S. participation in supplying these needs directly has also become increasingly important as a means of bolstering public support for the continuation of these programs.

In this year's legislation the Committee devoted attention to three separate avenues for expanding the proportion of U.S. employment and export benefits by increasing direct participation of the U.S. economy in supporting third world development. First, to expand the role of U.S. agricultural exports in development, it took action in two respects. In Section 502 it authorized the Secretary of Agriculture to designate amounts of surplus U.S. agricultural commodities to be distributed under Public Law 480 Title II, to assist in relief and humanitarian assistance. This provision will make available substantial additional amounts of U.S. surplus to assist countries facing severe nutrition and development difficulties, without requiring additional funding authorizations since the commodities would come from food currently held by the Commodity Credit Corporation. In addition, the Committee specified that no less than 35 percent of Economic Support Funds programmed for the Commodity Imports Program should consist of agricultural and agricultural-related products, with no less than 20 percent for agricultural commodities.

A second area of emphasis was enhancement of the U.S. private sector and private voluntary organization participation in development. The Committee strongly supported creation of a revolving fund for the Private Enterprise Bureau to shift a significant portion of support for private enterprise activities onto a self-sustaining basis and to reduce the extent to which expansion of that development effort requires appropriated funding. A second feature is authorization of a virtual doubling of funding for the Trade and Development Program, to a fiscal year 1984 funding level of $21 million. This program aims at supporting American enterprise participation in project feasibility studies which offer prospective onward increased U.S. export earnings of between 75 and 100 times the amount of the feasibility study grants supported by TDP. Also in this vein the Committee supported virtually the full amount of the Administration's request for increased funding for energy, private voluntary organization and related activities, in the amount of $31 million, bringing the total for the funding category to a record level of $181.6 million.

In a third area, the Committee supported amendments to the Administration's proposed budget to provide that all Foreign Military Sales financing be used only for purchases in the United States unless the President determines that the national interest will be furthered by procurement outside the United States. As a second measure in this area, Committee approved an amendment which requires AID to make greater efforts to assist U.S. firms in expanding their participation in procurement financed both by AID and by the multilateral development banks.

Taken all together it is the clear intent of the Committee that officials of AID, State and other administering agencies should make every reasonable effort to demonstrate to the American public both (a) a high level of concern to assure the greatest possible private sector and voluntary organization participation in U.S. foreign assistance programs and (b) an improved level of actual accomplishment in expanding the share of U.S. procurement in U.S. bilateral and U.S.-supported multilateral assistance programs.

The Committee noted with interest the report of AID Administrator McPherson that over 70 percent of U.S. development assistance funding is spent directly on U.S. origin goods and services, and his indication of plans to provide more specific accounts of where these expenditures are benefitting the U.S. economy.

K. SOUTH AFRICAN KRUGERRANDS

On May 12, Senator Tsongas proposed an amendment to impose a 2 percent import duty on South African gold coins, including Krugerrands. In response to Chairman Percy's concern that the amendment could cause the Finance Committee, which has jurisdiction over tariff legislation, to request referral of the bill, Senator Tsongas offered to delete the amendment from the bill if the Finance Committee would not waive its right of referral. The Committee then approved the amendment by a vote of 10 to 3. On May 17, the Finance Committee transmitted formal notification that its right of referral would not be waived, so the amendment was deleted from the bill.

May 16, 1983.

Hon. Robert Dole,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On May 12th the Senate Foreign Relations Committee approved an amendment offered by Senator Tsongas to the foreign assistance bill to impose a tariff on gold coins imported from South Africa.

During discussion of the amendment, I raised the question that the Finance Committee, rather than the Foreign Relations Committee, might have jurisdiction over this provision and that, therefore, the Finance Committee might request referral of the bill.

I would appreciate a statement from you whether the Finance Committee would agree to our moving this legislation directly to the floor. An early response would be greatly appreciated.

Sincerely,

CHARLES H. PERCY, *Chairman.*

Enclosure.

U.S. SENATE,
COMMITTEE ON FINANCE
Washington, D.C., May 17, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for requesting my opinion whether the Committee on Finance would agree to your moving directly to the floor the foreign assistance bill, S. 637, you recently approved, which incorporates a provision amending the Tariff Schedules of the United States (TSUS).

In particular, the provision to which you refer would amend item 653.22 and Headnote 5(b) of the TSUS to impose a duty of 2 percent ad valorem on "gold coins minted for or in behalf of the Republic of South Africa, including but not limited to Krugerrands." It further would prevent reduction, suspension, or revocation of the duty unless the President made certain determinations after consultations with your Committee and the Committee on Foreign Affairs of the House of Representatives. Finally, the amendment would establish, from the duties collected on these coins, a trust fund for the education of "those educationally disadvantaged by apartheid in South Africa." This fund will be administered by the Secretaries of State and of the Treasury.

Pursuat to Rule XXV(i) of the Standing Rules of the Senate, the Committee on Finance has jurisdiction, among other things, over all matters relating to: (1) customs, collection districts, and ports of entry and delivery; (2) deposit of public moneys; (3) reciprocal trade agreements; (4) revenue measures generally; (5) revenue measures relating to the insular possessions; (6) tariffs and import quotas, and matters related thereto; and (7) transportation of dutiable goods. Thus, Finance Committee jurisdiction, as set forth in Senate Rule XXV, plainly encompasses the subject matter of the amendment to S. 637 to which you refer.

The imposition of duties on intangibles such as currency; the creation of a duty exempt from normal adjustments provided for in trade laws; and the creation of a trust funded from the duties collected would raise issues of significant concern to this Committee. Therefore, I could not agree to further action by the Senate on S. 637 without consideration by the Committee on Finance. If your

Committee reports S. 637 in its present form, I will seek agreement to refer it to the Committee on Finance.

Sincerely,

Bob Dole, *Chairman.*

L. COOPERATIVE DEVELOPEMENT

For more than two decades, the Committee has encouraged the participation of U.S. cooperatives in foreign economic assistance programs overseas. The Committee authored the original statutory language Section 111 of the Foreign Assistance Act which places a "high priority" on "increasing the use of funds made available under this Act for technical and capital assistance in the development and use of cooperatives in less developed countries." As a result of this language, a number of cooperative development organizations, including international divisions and offices within cooperative trade associations, were formed.

In previous years, the Committee earmarked $30 million in funds for these activities. As recently as 1979, the Committee noted that the contributions of cooperative development organizations "has yet to be fully understood or creatively facilitated by AID." Because of the significance and successful annual reporting requirement as part of the Congressional Presentation on actions which have been taken by AID in support of cooperative development activities. A review of these reports indicates progress has been slow and, in fact, funding for the last few years has not increased in any meaningful amount.

The support expressed by the present AID Administrator for cooperative development is encouraging. However, the Committee has not seen much tangible progress within the AID bureaucracy to implement fully the intent of the legislation and concerns of the committee. Therefore, we will be closely monitoring AID to insure that existing programs are expanded and that innovative programs are initiated which more fully utilize the great resources of the U.S. cooperative community.

Section-by-Section Analysis

Section 1: Short title

Section 1 states that the short title of the bill is the "International Security and Development Cooperation Act of 1983".

TITLE I.—FISCAL YEAR 1983 SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

Section 101: Military sales and related programs

Section 101(a) authorizes an increase of $342 million in the limit established in Public Law 97-377 on the total principal amount of loans for which quarantees may be issued during fiscal year 1983 under Section 24(a) of the Arms Export Control Act. This is a reduction of $82.2 million from the President's request. When combined with amounts provided for in the Continuing Resolution and with the Lebanon supplemental authorization, the fiscal year 1983 guaranty level would be authorized at $4,080.8 million. It is the Committee's understanding that funds provided for in this subsection would be used for the following countries: Indonesia, South Korea, Malaysia, Thailand, Jordan, Morocco, Oman, Pakistan, Tunisia, North Yemen, Botswana, Cameroon, Gabon, Kenya, Rwanda, Somalia, Zimbabwe, Colombia, the Dominican Republic, Ecuador, and Peru. It was the committee's intent that these funds should not be used to disrupt the 7:10 military aid ratio between Greece and Turkey.

Section 101(b) authorizes an increase in appropriations of $132 million above the amount made available in P.L. 97-377 for fiscal year 1983 to carry out the grant military assistance program. The total authorized grant MAP level for fiscal year 1983 would thus become $422 million. This is a reduction of $55 million from the President's request. It is the Committee's understanding that these funds would be used for the following countries: Thailand, Tunisia, North Yemen, Djibouti, Kenya, Liberia, Niger, Senegal, Somalia, the Sudan, Zaire, Costa Rica, the Dominican Republic, the Eastern Caribbean, El Salvador (within the limitations of this bill), Haiti, Honduras, and Jamaica.

Table 7 and 8 display the Administration's original request for these two programs.

TABLE 7.—FOREIGN MILITARY SALES FINANCING PROGRAM (GUARANTY)

[Dollars in thousands]

	Actual fiscal year 1982	Fiscal year 1983 CRA planning levels	Fiscal year 1983 pending supplemental	Fiscal year 1983 revised request	Request fiscal year 1984
East Asia and Pacific:					
Indonesia	40,000	20,000	21,000	41,000	50,000
Korea	166,000	140,000	60,000	200,000	230,000
Malaysia	10,000	4,000	3,500	7,500	12,500
Philippines	50,000	50,000	0	50,000	50,000
Thailand	74,700	57,000	19,000	76,000	94,000
Regional total	340,700	271,000	103,500	374,500	436,500
Near East and South Asia:					
Egypt	700,000	900,000	0	[1] 900,000	850,000
Israel	850,000	950,000	0	[1] 950,000	1,150,000
Jordan	54,900	40,000	35,000	75,000	115,000
Lebanon	10,000	10,000	90,000	[2] 100,000	15,000
Morocco	30,000	23,000	52,000	[1] 75,000	60,000
Oman	30,000	30,000	10,000	40,000	45,000
Pakistan	0	200,000	75,000	275,000	300,000
Sri Lanka	2,000	0	0	0	0
Tunisia	95,000	62,000	58,000	120,000	90,000
Yemen	10,000	4,000	2,000	6,000	0
Regional total	1,781,900	2,219,000	322,000	2,541,000	2,625,000
Europe:					
Greece	280,000	280,000	0	[1] 280,000	500,000
Portugal	45,000	52,500	0	[1] 52,500	45,000
Spain	125,000	400,000	0	[1] 400,000	400,000
Turkey	343,000	[1] 290,000	65,000	355,000	525,000
Regional total	793,000	1,022,500	65,000	1,087,500	1,470,000
Africa:					
Botswana	500	3,000	2,000	5,000	9,000
Cameroon	1,500	0	3,000	3,000	5,000
Djibouti	0	0	0	0	0

TABLE 7.—FOREIGN MILITARY SALES FINANCING PROGRAM (GUARANTY)—Continued

[Dollars in thousands]

	Actual fiscal year 1982	Fiscal year 1983 CRA planning levels	Fiscal year 1983 pending supplemental	Fiscal year 1983 revised request	Request fiscal year 1984
Gabon	2,600	0	1,500	1,500	3,000
Kenya	22,000	10,000	7,500	17,500	12,000
Liberia	7,000	6,000	0	6,000	0
Niger	2,000	1,200	0	1,200	3,000
Rwanda	0	0	1,000	1,000	1,500
Senegal	0	0	0	0	0
Somalia	10,000	11,500	4,000	15,500	0
Sudan	50,000	0	0	0	0
Zaire	7,500	2,000	0	2,000	0
Zimbabwe	0	0	1,500	1,500	3,000
Regional total	103,100	33,700	20,500	54,200	36,500
American Republics:					
Colombia	10,000	0	6,000	6,000	12,000
Dominican Republic	4,000	1,000	2,000	3,000	0
Eastern Caribbean	0	0	0	0	0
Ecuador	4,500	0	3,000	3,000	6,000
El Salvador	16,500	76,500	0	76,500	30,000
Guatemala	0	0	0	0	10,000
Haiti	300	300	0	300	0
Honduras	19,000	9,000	0	9,000	0
Jamaica	1,000	0	0	0	0
Panama	5,000	5,000	0	5,000	5,000
Peru	4,500	0	3,000	3,000	25,000
Regional total	64,800	91,800	14,000	105,800	88,000
Worldwide program	3,083,500	3,638,000	525,000	4,163,000	4,656,000

[1] Earmarked.

[2] Supplemental request and total fiscal year 1983 program for Lebanon is $100,000,000; $10,000,000 will be used for other countries whose programs were reduced to provide funds to Lebanon under the continuing resolution.

TABLE 8.—MILITARY ASSISTANCE PROGRAM

[Dollars in thousands]

	Actual fiscal year 1982	Fiscal year 1983 CRA planning levels	Fiscal year 1983 pending supplemental	Fiscal year 1983 revised request	Request fiscal year 1984
East Asia and Pacific: Thailand	4,500	9,000	6,000	15,000	5,000
Regional total	4,500	9,000	6,000	15,000	5,000
Near East and South Asia:					
Morocco	0	[1]25,000	0	25,000	30,000
Tunisia	0	5,000	15,000	20,000	50,000
Yemen	1,000	1,000	4,000	5,000	15,000
Regional total	1,000	31,000	19,000	50,000	95,000
Europe:					
Portugal	20,000	[1]37,500	0	37,500	60,000
Turkey	57,000	[1]110,000	0	110,000	230,000
Regional total	77,000	147,500	0	147,500	290,000
Africa:					
Botswana	0	0	0	0	2,000
Djibouti	0	0	2,500	2,500	2,000
Guinea	0	0	0	0	2,000
Kenya	10,000	5,000	12,500	17,500	23,000

TABLE 8.—MILITARY ASSISTANCE PROGRAM—Continued

[Dollars in thousands]

	Actual fiscal year 1982	Fiscal year 1983 CRA planning levels	Fiscal year 1983 pending supplemental	Fiscal year 1983 revised request	Request fiscal year 1984
Liberia	5,000	4,000	3,500	7,500	13,000
Niger	0	0	2,500	2,500	1,000
Senegal	0	0	2,500	2,500	3,000
Somalia	15,000	10,000	5,000	15,000	40,000
Sudan	0	25,000	50,000	75,000	60,000
Zaire	3,000	2,000	8,000	10,000	10,000
Regional total	33,000	46,000	86,500	132,500	156,000
American Republics:					
Belize	0	0	0	0	500
Costa Rica	2,000	1,000	1,500	2,500	2,000
Dominican Republic	1,000	0	1,850	1,850	5,000
Eastern Caribbean	1,000	1,000	1,250	2,250	3,000
El Salvador	[2] 8,500	8,500	50,000	58,500	55,000
Haiti	0	0	150	150	300
Honduras	11,000	10,500	17,000	27,500	40,000
Jamaica	1,000	1,000	2,250	3,250	4,000
Panama Canal military schools/training	0	0	1,500	1,500	0
Regional total	24,500	22,000	75,500	97,500	109,800
Special requirements fund	0	0	0	0	0
General costs	69,982	38,700	0	38,700	46,000
Worldwide program	209,982	294,200	187,000	481,200	701,800
Section 506(a) drawdown authority reimbursement	4,415	2,478	0	2,478	50,000
Financing adjustments	−35,885	−6,678	0	−6,678	−4,800
Budget authority	178,512	290,000	187,000	477,000	747,000

[1] Earmarked.

[2] Does not include $55,000,000 under section 506(a) drawdown authority.

Section 102: Economic support fund

Section 102(a) authorizes an additional $105.5 million in Economic Support Funds for fiscal year 1983. The current amount authorized for these programs in Public Law 97-113 is $2,723.5 million. When combined with the $150 million to be authorized for supplemental aid to Lebanon, the proposed total ESF program for fiscal year 1983 would be $2,979.0 million, or a reduction from the President's request of $36.5 million. This new level would require supplemental appropriations of $318 million. It is the understanding of the Committee that these supplemental ESF funds provided for in this section would be used for the following countries: Jordan, Middle East regional projects, Cyprus, Turkey, the Sudan, Zaire, Zimbabwe, Costa Rica, the Dominican Republic, the Eastern Caribbean, Guatemala, Honduras, and Jamaica. Table 6 displays the Administration's original request for these programs.

The Committee determined the overall level for the ESF, grant MAP and FMS loan program by adopting the overall levels agreed to in the International Security Enhancement Act of 1982 and adding to these figures the supplemental requests for Lebanon.

Section 102(b) was proposed by Senator Pell, and restates the earmark for Cyprus contained in existing law (Public Law 97-113).

The Committee restated this earmark notwithstanding any other provision of law because of its concern with the Administration's decision to allocate only $5 million, of the total $15 million earmark, from the funds provided in the continuing resolution.

The Committee notes that there have been hints from various Administration officials that the President may invoke 614 waiver authority to dispense with the Cyprus earmark, if Congress does not approve this supplemental request. It is the Committee's belief that when Congress does earmark a program, or country level of funding those earmarks should be funded fully with the funds appropriated, whether under a normal appropriation bill.

The Committee believes that the funds provided Cyprus constitute a symbol of the U.S. commitment to an ultimate settlement of the painful division of that island nation.

Section 103: International organizations and programs

Section 103 authorizes an increase in appropriations of $4,500,000 above the amount made available in Public Law 97-377 for fiscal year 1983 to carry out Chapter 3 of part I of the Foreign Assistance Act of 1961, as amended. These funds will be used for payments to the International Atomic Energy Agency. The Committee notes that the conditions set forth by the Congress for assistance to the IAEA have been met.

TABLE 9.—ECONOMIC SUPPORT FUND

[In thousands of dollars]

	Actual fiscal year 1982	Fiscal year 1983 CRA planning levels	Fiscal year 1983 pending supplemental	Fiscal year 1983 revised request	Request fiscal year 1984
East Asia and Pacific:					
Philippines	50,000	50,000	0	50,000	50,000
Thailand	5,000	5,000	0	5,000	5,000
South Pacific	500	0	0	0	0
Regional total	55,500	55,000	0	55,000	55,000
Near East and South Asia:					
Egypt	771,000	[1] 750,000	0	750,000	750,000
Israel	806,000	[1] 785,000	0	785,000	785,000
Jordan	15,000	15,500	[2] 4,500	20,000	20,000
Lebanon	6,000	4,500	[3] 145,500	150,000	0
Morocco	0	0	0	0	7,000
Oman	15,000	15,000	0	15,000	15,000
Pakistan	100,000	200,000	0	200,000	225,000
Tunisia	5,000	[1] 5,000	0	5,000	0
Middle East regional	11,080	12,500	2,500	15,000	15,000
Regional total	1,729,080	1,787,500	152,500	1,940,000	1,817,000
Europe:					
Cyprus	15,000	5,000	10,000	[1] 15,000	3,000
Poland	5,000	0	0	0	0
Portugal	20,000	20,000	0	20,000	40,000
Spain	22,000	12,000	0	12,000	12,000
Turkey	300,000	245,000	55,000	300,000	175,000
Regional total	362,000	282,000	65,000	347,000	230,000
Africa:					
Botswana	10,984	10,000	0	10,000	10,000

TABLE 9.—ECONOMIC SUPPORT FUND—Continued

[In thousands of dollars]

	Actual fiscal year 1982	Fiscal year 1983 CRA planning levels	Fiscal year 1983 pending supplemental	Fiscal year 1983 revised request	Request fiscal year 1984
Chad	2,822	0	0	0	0
Djibouti	2,000	2,000	0	2,000	3,000
Kenya	10,714	30,000	0	30,000	42,000
Liberia	35,000	32,000	0	32,000	35,000
Mauritius	2,000	2,000	0	2,000	2,000
Niger	0	2,000	0	2,000	5,000
Senegal	0	5,000	0	5,000	10,000
Seychelles	2,000	2,000	0	2,000	2,000
Somalia	20,000	21,000	0	21,000	35,000
Sudan	100,000	70,000	25,000	95,000	120,000
Zaire	0	0	7,000	7,000	10,000
Zambia	19,999	15,000	0	15,000	20,000
Zimbabwe	75,000	60,000	15,000	75,000	75,000
Southern Africa regional	14,305	15,000	0	15,000	40,000
Regional total	294,824	266,000	47,000	313,000	409,000
American republics: [4]					
Belize	10,000	0	0	0	
Costa Rica	95,000	50,000	35,000	85,000	70,000
Dominican Republic	41,000	0	10,000	10,000	40,000
Eastern Caribbean	44,000	5,000	6,000	11,000	25,000
El Salvador	115,000	140,000	0	140,000	120,000
Guatemala	10,000	10,350	6,000	16,350	40,000
Haiti	10,000	0	0	0	5,000
Honduras	39,800	15,000	30,000	45,000	40,000
Jamaica	92,460	50,000	3,000	53,000	55,000
Nicaragua	5,100	[5] 0	0	0	0
Suriname	500	0	0	0	1,000
Latin America and Caribbean regional	15,000	0	0	0	2,000
Regional total	477,860	270,350	90,000	360,350	398,000
Special requirements fund	0	0	0	0	40,000
Institute for Democracy	0	150	0	150	
Budget authority	2,919,264	2,661,000	354,500	3,015,500	2,949,000

[1] Earmarked (Costa Rica $20 million).
[2] $4.5 million programed to Lebanon for urgent needs pending passage of supplemental appropriation.
[3] Supplemental request for Lebanon is $150 million; $4.5 million will be restored to Jordan.
[4] Excludes fiscal year 1982 carryover funds.
[5] Earmarked at $20 million; requires section 614 Foreign Assistance Act waiver.

TITLE II.—MILITARY SALES AND RELATED PROGRAMS

Section 201: Policy on limiting transfers of conventional arms to developing countries

Section 201, proposed by Senator Sarbanes, represents one element of a more comprehensive arms export control bill (S. 1050) introduced earlier this year by Senators Robert Byrd and co-sponsored by Committee members Pell, Biden, and Sarbanes. This section would amend the Arms Export Control Act to declare the "sense of Congress that the President should initiate, through the North Atlantic Council or other appropriate committees of the North Atlantic Treaty Organization, discussions to limit the transfer by member countries of the North Atlantic Treaty Organization to developing countries of conventional arms with regard to the level of sophistication of such arms, with regard to the region of which the country eligible to receive certain arms is a part, and with regard to any other appropriate criterion for the limitation of such arms." With the volume and sophistication of international arms transfers expanding at a rapid rate, the Committee believes that the need for a collective policy among the Western democracies is two-fold:

(1) to ensure that, through the process of arms sales competition among themselves, the Allies do not damage the overall security interests of the West; and

(2) to prepare for effective East-West negotiations aimed at limiting the potentially destabilizing effects of unrestrained arms transfers to the Third World from all sources.

A more controversial aspect of S. 1050 was its requirement for affirmative Congressional action in the approval of any arms sales of value greater than $200 million. Senator Sarbanes offered this proposal but withdrew it upon obtaining assurances from the Committee Chairman that the Committee would, at the earliest convenient date, hold hearings to address the issues arising from the burgeoning international arms competition and the U.S. role on it.

Section 202: Defense services

Section 202 was introduced by Senator Percy. It conforms the limitation placed on U.S. military advisors authorized under the Foreign Assistance Act of 1961, as amended, with the limitations contained in Section 21(c)(1) of the Arms Export Control Act. The Administration had no objection to this amendment.

Section 203: Charges for training

Section 203 would eliminate the current multi-tier price structure on sales of training. Thereafter there would be only two comparable pricing systems, one for IMET and one for FMS. For example, under the current system the cost of FMS training for foreign students in the same course at the Army Command and General Staff College could range from $4,598 to $31,499. The new proposal would authorize all purchasers to be charged the "additional cost" that would be incurred to provide this training; in the above example, the $4,598 rate. Enactment of the provision would reduce discrimination among countries and U.S. administrative costs.

Section 204: Administrative surcharge

Section 204 amends paragraph 1(A) of section 21(e) of the Arms Export Control Act to further explain that the "costs" which must be recovered by the United States Government are those costs which would not otherwise be incurred by the United States. This change is comparable to the revision of training prices effected by section 115 of Public Law 96-533. Enactment of this amendment is not expected to result in a reduction of the current administrative surcharge percentage, but will avoid the necessity of an immediate increase in the percentage levied on all foreign military sales.

Section 205: Catalog data and services

The Arms Export Control Act permits in-kind reciprocal exchange of some services with NATO countries, but still requires that the United States charge for catalog data. In fiscal year 1982 such charges amounted to $850,000. Other countries are beginning to charge DOD in return, with DOD paying over $100,000 in fiscal year 1982. In future years, as efforts intensify to increase NATO standardization, there will be increasing requests for cataloging and codification services, which DOD performs pursuant to chapter 145 of title 10 United States Code. Section 205 would avoid a series of sales cases for relatively minor transactions with those NATO countries that provide similar services free of charge to the United States.

Section 206: Reporting requirement

Section 206 would revise the reporting requirement of section 25(a)(4) to apply only to sales and deliveries to recipient countries in the developing world. The section as amended would exclude from the required report estimates of sales and deliveries among NATO countries, Japan, Australia and New Zealand and among Warsaw Pact countries. This change would conform the statutory language to the intentions of the Congress. The amendment would also establish an April 1 deadline for this information rather than the current February 1 deadline for this report. This change would allow inclusion of full calendar year data on sales and deliveries in the information presented to Congress.

It is the firm intent of the Committee that the Administration meet this new deadline and that each report contain an unclassified summary.

Section 207: Arms sales report

Section 207 restores a useful reporting requirement that was inadvertently deleted from current law in 1981.

Section 208: Defense requirement surveys

Section 26 of the Arms Export Control Act provides for a quarterly report to Congress concerning certain aspects of U.S. arms sales policy. This section, proposed by Senator Sarbanes, would required that the Administration include, as a classified addendum to these quarterly reports, "the text of all defense requirement surveys completed during the preceeding calendar quarter." These surveys, on which the Administration bases much of its arms sales policy toward various countries, will assist Congress in performing its oversight functions under the Arms Export Control Act. Since such studies are already conducted on a regular basis, this section actually imposes no additional study or reporting burden on the Administration. The concept of including defense requirement surveys in the quarterly Section 26 reports was originally embodied in the more comprehensive arms export control legislation introduced by Senator Byrd earlier this year and mentioned in the discussion of Section 201 of this bill.

Section 209: Foreign military sales authorization and aggregate ceilings

	Millions
Fiscal year 1983 direct loan actual	$1,175.0
Fiscal year 1984 direct loan request	1,000.0
Fiscal year 1984 direct loan recommendation	1,315.0

Section 209(a) authorizes appropriations of $1,315 million in direct FMS loans in fiscal year 1984.

Section 209(b) increases the ceiling for these direct loans. These loans are intended for Israel ($850 million) and Egypt ($465 million).

Section 209(c) authorizes $4,506 million in FMS guaranteed loans for fiscal year 1984. The chart in the Committee Comment Section (A) shows the proposed distribution of these funds.

Section 209(d) earmarks $1.7 billion in military aid for Israel and earmarks the direct forgiven loan portion of that assistance at $850 million.

Section 209(e) provides extended repayment terms for FMS guaranteed loans to the current list of countries and subsection (2) adds South Korea to that list.

Section 209(f) earmarks direct credits of $465 million for Egypt and provides forgiveness for those loans. It also earmarks $1,365 million in total military aid for Egypt.

Section 209(g) releases Israel from its obligation to repay the $850 million in direct credits.

Section 210: Military assistance for Greece and Turkey

Section 210 provides that $500 million of the authorized FMS loans be provided only for Greece. It further provides that $715 million in military assistance and FMS loans be provided only for Turkey. The reference to the "report accompanying this Act" refers to Item D in the Committee comment section.

Section 211: Guaranty reserve fund

During Committee hearings on this legislation, several members stated concern that the FMS Guaranty Reserve Fund would probably drop below $750 million at some point during fiscal year 1985. That level is set by Section 24(c) of the Arms Export Control Act as a danger point, below which the fund should not be allowed to drop. At the Committee's request, the Administration reviewed this problem and suggested a legislative solution that would provide permanent authority to replenish the fund. Only appropriations Committee action would be required.

The Committee responded favorably to this proposal but placed a limit of $100 million on the annual authority. Thus, beginning in fiscal year 1985, this section would provide an annual authorization of appropriations of up to $100 million to replenish the Guaranty Reserve Fund. If additional amounts were needed, a special authorization would be required. Using the authorization contained in this section, the Administration has declared that it "intends beginning in fiscal year 1985 to request appropriations in accordance with a formula which reflects actual default and rescheduling experience, total receipts due and payable to the Fund in the upcoming fiscal year, and the need to increase gradually over time the size of the Fund. This formula establishes a long-term mechanism for maintaining the fiscal integrity of the Fund."

Section 212: Congressinal reveiw of sales of sensitive technology

Section 212, initiated by Senator Glenn, would amend Section 36(b) of the Arms Export Control Act to require a notification to

Congress of any change in a sale, already considered by Congress, which upgrades the level of sensitive technology or which significantly enhances the capability of the items sold. This section had its origins in a recent episode in which the Administration decided to upgrade the avionics of F-16 aircraft being sold to Pakistan. On December 16, 1982, Senators Percy and Pell wrote to Secretary of State Shultz requesting that the Administration transmit an amendment to the original Pakistan F-16 notification so that Congress could review that proposed upgrade. In a January 7, 1983, reply, Assistant Secretary of State Powell Moore denied the Committee request, stating that "we do not believe it would be appropriate to submit an amended certification subject to the procedures of Section 36(b)." The Administration's reasoning relied on the fact that the upgraded technology did not, in and of itself, exceed the $14,000,000 threshold for notifications under Section 36(b).

Because the sensitivity of technology is often a key factor in a proposed arms sale, the Committee concluded that this episode revealed a flaw in Section 36(b). As amended by this section, Section 36(b) would in the future provide for Congressional review of a "significant" upgrading of technology or capability of an already approved sale, regardless of the dollar amount of the upgrade, by requiring a new section 36(b) notification for the upgraded portion of the dale. A mechanism is established to assure that Congress can determine what constitutes a "significant" upgrading.

This amendment is not intended to be retroactive.

Section 213: Increase in criminal penalties for certain violations of the Arms Export Control Act

Recent changes in the Export Administration Act imposed potentially greater penalties for persons violating commercial export laws and regulations than for those violating section 38 of the AECA. Section 213 would increase the maximum criminal penalty for certain violations of the AECA from $100,000 or two years imprisonment or both, to $1 million or 10 years imprisonment or both. The ceiling for civil penalties for violations would be raised from $100,000 to $500,000. This amendment would apply to violations which occur after the effective date of this section.

Section 214: Procurement outside the United States

Section 214 amends Section 42(c) of the Arms Export Control Act to prohibit the use of FMS direct loans and guaranteed loans for procurement outside the United States unless the President certifies to the Congress that the national interest of the United States will be furthered by such procurement.

The Committee notes that several FMS recipients have developed indigenous arms industries which would allow for domestic procurement. A number of these countries are also interested in expanding their exports of domestically produced arms. The amendment affords the Congress an opportunity to review proposed offshore procurements. The Committee strongly believes that FMS financing should not be used in such a way as to expand the industrial base of an FMS recipient at the expense of the U.S. industrial base and of U.S. jobs. The Committee also believes that the President should have the flexibility to permit the use of FMS financing in specific instances in which use of the funds outside of the United States will further the national interest.

Section 215: Representational funds

Section 215(a) amends Section 43(b) of the Arms Export Control Act to provide that the United States is to recover "extraordinary" as well as administrative expenses for services calculated under Section 21(e)(1)(A) of the Act. The amendment will permit the use of administrative funds to augment military assistance funds available for security assistance representational activities.

Section 215(b) places an annual limit of $150,000 on expenses attributable to such representational activities.

Section 216: Military assistance

	Millions
Fiscal year 1983 CR	$290.0
Fiscal year 1983 Supplemental authorization	422.0
Fiscal year 1984 Request	747.0
Fiscal year 1984 Recommendation	384.0

Section 216 authorizes $384 million in fiscal year 1984 for grant military assistance programs. The Committee notes that Section 716 of this bill contains a separate military assistance authorization for El Salvador which would be in addition to this figure.

The Administration has requested that Congress appropriate $50 million in fiscal year 1984 for the purpose of repaying the Defense Department for a previous drawdown of Defense stocks under the provision of Section 506 of the Foreign Assistance Act. Although Section 506 contains a permanent authorization for such a drawdown, the Committee recommends to the Appropriations Committee that it not appropriate the $50 million repayment at this time. Given overall budget pressures, the Committee believes that the $50 million could better be provided for other security assistance purposes in fiscal year 1984.

Section 217: Stockpiling of defense articles for foreign countries

Section 217 amends section 514(b)(2) of the FAA to establish a ceiling of $125,000,000 on the aggregate value of additions made in fiscal year 1984 to overseas stockpiles of defense articles (other than in NATO countries) which are designated as war reserve stocks for allied or other foreign forces. It is the Committee's understanding that this authority will be exercised for South Korea. The United States retains title to any stocks so designated. Transfer of these stocks to a foreign country may take place only under the authority of the FAA or of the AECA, and within the limitations and funds available under those Acts.

Section 218: Security assistance organization

Section 515 of the Foreign Assistance Act places a limit of six on the number of U.S. Armed Forces personnel who may be assigned in any country for the purpose of managing U.S. military assistance and sales programs. That section also provides an exception so that this limit may be exceeded in the following countries: Indonesia, Korea, the Philippines, Thailand, Egypt, Jordan, Morocco, Saudi Arabia, Greece, Portugal, Spain, and Turkey. Section 218 of this bill would add to that list the following countries: Pakistan, Tunisia, Yemen, Liberia, Sudan, Zaire, El Salvador, Honduras, and Venezuela. For the countries being added, however, Section 218 would place a limit of 12 on the number of U.S. military personnel. This limit, proposed by Senator Sarbanes, would not curb Administration activities as they are now designed, but would require Committee involvement if the Administration wished to significantly expand its management team in any affected country.

Section 219: International military education and training

	Millions
Fiscal year 1983 CR	$45.0
Fiscal year 1983 Supplemental level	46.0
Fiscal year 1984 Request	56.5
Fiscal year 1984 Recommendation	46.0

Section 219 authorizes appropriations of $46 million for IMET programs in fiscal year 1984. The Committee notes that this is a significant reduction from the Administration's request, but under new "incremental costing procedures" each IMET and FMS dollar will buy more training.

Section 220: Exchange training

Section 220 would provide for the establishment of a new section 544 in the FAA concerning exchange (barter) training. The President will be authorized to provide to foreign military personnel professional military education training only at U.S. war colleges and U.S. command and staff colleges in the United States. The training of each foreign student under this authority will be conditioned on the requirement that, commencing in the same U.S. fiscal year, a U.S. military student be trained in a foreign college which the U.S. military department involved determines to be comparable to its military colleges. Such exchanges would be negotiated with foreign countries and international organizations after the enactment. The Committee agreed to authorize this program on a two-year pilot basis.

Section 221: Peacekeeping operations authorization

	Millions
Fiscal year 1983 CR	$31.1
Fiscal year 1984 Request	46.2
Fiscal year 1984 Recommendation	46.2

Section 522(a) of the FAA is amended to authorize $46,200,000 for fiscal year 1984 in appropriations to carry out peacekeeping operations in the Sinai (MFO) and Cyprus (UNFICYP).

Section 222: Peacekeeping operations emergencies

Section 522(c) of the FAA is amended to provide that the President may drawdown commodities and services of an aggregate value not to exceed $10,000,000 for each fiscal year from any United States Government agency for peacekeeping purposes, if he determines that an unforseen emergency requires immediate assistance under the peacekeeping provisions of FAA. A new subsection (d) authorizes appropriations to reimburse the applicable account for commodities and services provided pursuant to this section. Section 652 of the FAA is amended to require that the President notify the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing should he intend to exercise this authority, stating the justification for, and the extent of, the exercise of such authority.

TITLE III—ECONOMIC SUPPORT FUND

Section 301: Economic support fund

	Million
Fiscal year 1983 authorization (original)	$2,723.0
Fiscal year 1983 authorization (revised)	2,979.0
Fiscal year 1983 continuing resolution level	2,661.0
Fiscal year 1984 request	2,949.0
Fiscal year 1984 recommendation	2,946.0

This Section amends Chapter 4 of Part II of the Foreign Assistance Act to authorize appropriations of $2.946 billion for the economic support fund, and to modernize outdated provisions of current law.

The Committee also adopted an amendment, offered by Senator Biden, that clarifies Congressional intent with respect to the purposes and uses of the ESF program.

The provision adopted, by the Committee does three things:

It clarifies the language in the Foreign Assistance Act which governs ESF, to make the link between development and economic support assistance more explicit;

It directs *that,* to the maximum extent possible, commodity import programs (CIP) and other related programs generate local currency of which at least 50 percent should be programmed for development projects;

It requires a separate, detailed report, as part of the already required annual Congressional presentation documents, which justifies the uses and purposes of ESF, delineating cash grants from more traditional development project aid.

The Committee noted that this provision does not tie the President's hands on using ESF, but does attempt to provide a more rational framework for a program that has grown from $1.2 billion for 11 nations in 1975 to almost $3 billion for 35 nations in 1984. This provision does not incur any additional taxpayer cost for foreign aid programs, but by moving more towards programming local currency generation in Commodity Import Programs it does provide additioinal development resources for the very countries most in need of such aid.

The Committee wishes to emphasize that this does not require the President to shift any of the ESF he is requesting to any other program or purpose. It does, however, require a more detailed justification for a program that is twice the size of the development aid program, but has fewer conditions or reporting requirements than any major aspect of the development aid program. Committee supports continued flexibility in the ESF program, but also seeks to ensure that Congress is fully cognizant of the different purposes of these funds. Decisions affecting the allocation of these rapidly expanding resources must be rational, and justifiable.

The new section 531(d) directs that the President shall use 35 percent of the ESF commodity import program for the purchase of agricultural commodities and agricultural-related products of U.S. origin. In addition, 20 percent of the CIP program shall be used for the purchase of U.S. agricultural commodities, half of which shall be used to purchase processed or value-added products.

The Committee also adopted an amendment offered by Senator Percy which updates Section 531 of the Foreign Assistance Act and earmarks funds for Israel ($910 million) Egypt ($750 million), and which provides that funds for each be available on a grant basis. This provision further earmarks $175 million for Pakistan, $5 million for Tunisia, $7 million for Morocco, $50 million for all other Middle East and South Asia programs, $55 million for East Asian programs, $40 million for Portugal, $15 million for Cyprus, $187 million for other European programs, $70 million for Costa Rica, $290 million for Latin American programs, and $392 million for African programs. The amendment to earmark funds for Africa was originally introduced by Senator Kassebaum while Senator Pell introduced earmarks for Cyprus. Senator Boschwitz introduced the earmarks for Morocco and Tunisia. Senators Pell and Boschwitz respectively introduced earmarks for Cyprus and Morocco.

In adopting these earmarks the Committee wishes to reassert its belief that it is the perogative of the authorizing Committees of the Congress to set policy guidelines which in turn justify the funding levels of programs and individual country allocations within those programs totals, in foreign assistance legislation.

The attached chart shows the administration's proposed breakdown of the fiscal year 1984 ESF program.

TABLE 10.—CATEGORIZATION OF ESF ACCOUNT FOR FISCAL YEAR 1984

[Dollars in thousands]

Category/project	Country	Proposed fiscal year 1984 category
Agriculture, Rural Development, Nutrition (ARDN):		
2980170—Arid land agrc res	NE Reg'l	$1,000
6330221—Agrc'l tech. improvement	Botswana	2,629
6030015—Fisheries dev. II	Djibouti	1,000
6110201—Agrc dev res and extension	Zambia	1,182
6900207—Agrc and livestock dev	SA Reg'l	5,500
3910477—Agr educ. res and extension	Pakistan	22,500
2630079—Small farmer production	Egypt	15,000
3910479—Baluchistan area development	Pakistan	5,000
3910473—Rural electrification	Pakistan	25,000
4920375—Rural energy dev	Philippines	8,000
2630123—Utility mgmt and energy policy	Egypt	10,000
3910480—Farm to market roads	Pakistan	3,000
3910467—Irrigation system mgmt	Pakistan	22,000
2630132—Irrigation water mgmt	Egypt	10,000
2780259—Water systems and services mgmt	Jordan	5,000
3910476—Agrc produc, distrb and storage	Pakistan	30,000
6330077—Rural sector grant	Botswana	1,500
6130209—Agr rural dev sector grant	Zimbabwe	15,000
5380090—Agr sec structural adjust II	Carib Reg'l	15,000
6080179—Agricultural support	Morocco	7,000
3910471—Tribal area development	Pakistan	5,000
Subtotal—ARDN		210,311

TABLE 10.—CATEGORIZATION OF ESF ACCOUNT FOR FISCAL YEAR 1984—Continued

[Dollars in thousands]

Category/project	Country	Proposed fiscal year 1984 category
Population:		
3910484—Social mktg of contraceptives	Pakistan	5,500
6130219—Child spacing and fertility	Zimbabwe	3,300
3910469—Population welfare planning	Pakistan	4,800
2630144—Family planning II	Egypt	40,000
Subtotal—population		53,600
Health:		
3910475—Primary health care	Pakistan	8,200
2630015—Strengthening rural health deliveries	Egypt	4,000
2630136—Suez Canal Univ—faculty of medicine	Egypt	4,000
2980155—CRS rural dev II (PVO)	NE Reg'l	1,100
3910472—Malaria control II	Pakistan	10,000
2980165—Epidemiology/control arth disease	NE Reg'l	1,100
Subtotal—health		28,400
Education:		
2630125—Workforce planning and dev	Egypt	5,000
6330222—Primary educ. improvmt	Botswana	1,629
2630139—Basic education	Egypt	15,000
6110075—Agrc training/plng/inst dev	Zambia	2,818
6900208—Manpower development	SA Reg'l	3,500
2780261—Executive mgmt institute	Jordan	3,000
6330231—Workforce and skills training	Botswana	3,242
6130215—Zimbabwe manpower dev	Zimbabwe	4,000
6130224—Books for new literates	Zimbabwe	600
6900222—Univ. prep. prg.	SA Reg'l	1,000
2330002—Scholarship prg	Cyprus	3,000
2980172—Amideast human resources dev.	NE Reg'l	2,800
6900213—Trng of disadvtgd So. Africans	SA Reg'l	4,000
6900220—Entreprenurial trng—disadvtg S. Afrs.	SA Reg'l	1,000
6900223—Labor union trng for So. Afr.	SA Reg'l	725
5980101—Free labor dev (AIFLD)	LAC Reg'l	2,000
6130208—Human resource sector	Zimbabwe	15,000
3910474—Development support training	Pakistan	3,000
Subtotal—education		71,314
Private enterprise:		
6900214—Private enterprise	SA Reg'l	1,500
6900217—Intra-reg'l trade and business dev	SA Reg'l	3,000
3910284—Private sector mobilization	Pakistan	3,000
5170171—Priv enterp sector dev	LAC	40,000
2630147—Priv sector production credit	Egypt	30,000
Subtotal—private enterprise		77,500
Private voluntary organizations:		
6900202—PVO's	SA Reg'l	1,000
5190289—PVO's—OPG's	El Salvador	2,000
5219999—PVO's—OPG's	Haiti	1,000
5210161—Haitian dev fdn II—OPG	Haiti	2,000
Subtotal—private voluntary organizations		6,000
Energy:		
3910478—Energy plng and dev	Pakistan	3,000
5380091—Energy sector structural adjust II	LAC	10,000
Subtotal—energy		13,000

TABLE 10.—CATEGORIZATION OF ESF ACCOUNT FOR FISCAL YEAR 1984—Continued

[Dollars in thousands]

Category/project	Country	Proposed fiscal year 1984 category
Infrastructure:		
4920365—Markets	Philippines	9,000
263K608—Water sewerage program support	Egypt	200,000
2720104—Schools construction	Oman	10,000
5190279—Public service restoration	El Salvador	5,000
2630101—Industrial production	Egypt	15,000
4920374—Regional development fund	Philippines	20,000
4920361—Municipal development fund	Philippines	13,000
6030016—Port infrastructure development	Djibouti	2,000
6490114—Kismayo port rehabilitation	Somalia	15,000
6900212—Regional transportation support	SA Reg'l	14,200
Subtotal—infrastructure		303,200
Other development assistance:		
6900206—So. Afr. plng mgmt/research	SA Reg'l	1,725
3910470—Project design fund	Pakistan	2,500
2780260—Tech serv and feasibility	Jordan	5,000
3910485—Area development	Pakistan	9,500
2980162—ARENA—development assistance	NE Reg'l	1,400
2980150—Proj dev and support	NE Reg'l	1,000
2980158—Regional cooperation	NE Reg'l	4,900
2780255—Rural community dev	Jordan	7,000
2980166—Community development II	NE Reg'l	1,700
6330230—Major villages	Botswana	1,000
6130223—Community development support	Zimbabwe	2,100
5210156—Regional development authority	Haiti	2,000
6909901—Special self-help dev	SA Reg'l	750
3910481—Forestry planning and development	Pakistan	3,000
5320079—Tech consultancies and training	Jamaica	5,000
5080019—Tech consultants and training	Suriname	1,000
6909801—Human rights fund	SA Reg'l	100
6900216—Technology/dev info transfer	SA Reg'l	2,000
4930327—Affected Thai	Thailand	5,000
2720101—U.S. Joint Commission	Oman	5,000
263K607—Decentralization sector support	Egypt	102,000
9990001—Special requirements fund		40,000
Subtotal—other		203,675
Commodity import program:		
6490125—CIP	Somalia	20,000
3910468—Agrc commodities and equipment	Pakistan	60,000
6620005—Agrc sect development II	Seychelles	2,000
6420005—CIP	Mauritius	2,000
6850262—CIP	Senegal	10,000
650K606—CIP	Sudan	120,000
6110070—CIP	Zambia	16,000
6130216—CIP	Zimbabwe	35,000
263K605—Decentralization sector support	Egypt	102,000
263K607—CIP	Egypt	300,000
6600100—Agrc'l inputs support	Zaire	10,000
6830246—Rural dev sector grant	Niger	5,000
Subtotal—commodity import program		580,000
Cash transfer/balance-of-payments support:		
6150213—Agribusiness development	Kenya	42,000
5190256—Public sector employment	El Salvador	10,000

TABLE 10.—CATEGORIZATION OF ESF ACCOUNT FOR FISCAL YEAR 1984—Continued

[Dollars in thousands]

Category/project	Country	Proposed fiscal year 1984 category
5190267—Private sector support I	El Salvador	103,000
5220208—Economic recovery program III	Honduras	40,000
5320096—Production and employment IV	Jamaica	50,000
271K619—Cash transfer	Israel	785,000
277K005—BOP	Turkey	175,000
5150192—Economic stabiliz and recovery III	Costa Rica	70,000
5200308—Economic stabilization	Guatemala	40,000
6690189—BOP	Liberia	35,000
1508000—Azores base agreement	Portugal	40,000
152XXXX—Cash transfer	Spain	12,000
Subtotal—cash transfer/BOP		1,402,000
Grand total		2,949,000

TITLE IV.—DEVELOPMENT ASSISTANCE

Section 401: Agriculture, rural development and nutrition

	Millions
Fiscal year 1983 authorization	$700.0
Fiscal year 1983 continuing resolution level	700.0
Fiscal year 1984 request	725.2
Fiscal year 1984 recommendation	728.0

This Section amends Section 103(a)(2) of the Foreign Assistance Act to authorize appropriations of $728 million for agriculture, rural development and nutrition. Funds authorized in this Section are used to improve the diets, agricultural productivity, and rural incomes of developing country recipients. The Agency for International Development proposed to meet these objectives by strengthening host country agricultural science and technology capabilities, promoting private sector participation in projects, and encouraging reforms in indigenous institutions and policies.

The recommended authorization level for fiscal year 1984 is .4 percent higher than the President's request. The Committee recommends this slight increase in funding levels in order to ensure full funding for agricultural research programs, associated with the Title XII university and land grant college program which had been threatened with reductions, and in some cases elimination. The Committee reaffirms its longstanding support for this research partnership between AID and myriad U.S. colleges and unversities that has provided handsome dividends for the world's developing countries with improved nutrition, pest control, crop yields, disease control and soil improvement.

IFAD: The International Fund for Agricultural Development

The Committee notes with deep concern that despite Congressional authorization for *full* funding of the U.S. contribution of $180 million to the replenishment of IFAD (Public Law 97-113), the Appropriations Committees have failed repeatedly to provide adequate funds in order for the U.S. to fulfill its commitment. No funds were provided in the fiscal year 1982 appropriations legislation, and only $24 million was provided in the fiscal year 1983 continuing resolution leaving the balance of $156 million for fiscal year 1984. Originally, three equal payments of $60 million for fiscal years 1982, 1983 and 1984 had been contemplated.

In 1981 the Committee joined with the Appropriations Committees in expressing its concern with several areas of IFAD's management. We requested that IFAD staff size be capped at 75. Since 1981 it has been frozen at 74. We asked that IFAD's project disbursement rate be accelerated. Total disbursements last year were one and a half times those of 1981. We also indicated our desire that in future replenishments of this Fund, that there be parity between OPEC and OECD contributions. Negotiations for the Second replenishment have not yet taken place, and it is somewhat difficult for the United States to insist on parity when we ourselves are in arrears, by almost $100 million, in our contribution.

The Committee firmly believes that Congress must take effective action to correct this embarrassing situation that is harmful to U.S. foreign policy interests because it undermines international confidence in the ability of the U.S. government to make good on its commitments. The Committee urges the Appropriations Committees to expedite action so that the U.S. contribution can be brought into full compliance with the U.S. commitment to the first replenishment of IFAD. The Committee believes that this is best accomplished with a separate appropriation for this multilateral agreement. Suggestions to the contrary notwithstanding, the Committee rejects the notion that bilateral agricultural assistance funds should be made available for this purpose. The bilateral development assistance program has essentially been frozen, in terms of funding levels, for three fiscal years. A transfer of funds to cancel the IFAD arrearage problem would reduce agricultural funds for the bilateral program by more than 20 percent and would put in jeopardy numerous research and other projects which are vital to the U.S. development effort. The Committee believes that IFAD is a valuable multilateral assistance program that ought to be funded separately, just as Congress authorized such funding two years ago.

SUMMARY OF ADMINISTRATION REQUEST: AGRICULTURE

TABLE 12—SUMMARY—FISCAL YEAR 1984—AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION ACTIVITIES

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Africa:			
Burundi	3,000	3,000	
Cameroon	16,753	11,353	5,400
Central Africa Republic	1,200	1,200	
Congo	1,000	1,000	
Equatorial Guinea	1,000	1,000	
Ghana	2,000	2,000	
Guinea	2,300	2,300	
Guinea-Bissau	1,000	1,000	
Kenya	36,000	29,800	6,200

SUMMARY OF ADMINISTRATION REQUEST: AGRICULTURE—Continued

[In thousands of dollars]

	Total	Grants	Loans
Lesotho	1,500	1,500	
Liberia	3,134	3,134	
Malawi	10,000	10,000	
Rwanda	2,000	2,000	
Sierra Leone	1,000	1,000	
Somalia	12,669	12,669	
Sudan	17,196	17,196	
Swaziland	4,006	2,006	2,000
Tanzania	2,925	2,925	
Togo	2,409	2,409	
Uganda	9,000	9,000	
Zaire	8,408	8,408	
Africa regional	11,050	11,050	
Total for Bureau	149,550	135,950	13,600
Bureau for Asia:			
Bangladesh	51,800	51,800	
Burma	9,000	9,000	
India	74,400	15,400	59,000
Indonesia	37,000	11,500	25,500
Nepal	8,500	8,500	
Philippines	22,600	3,100	19,500
Sri Lanka	31,000	7,500	23,500
Thailand	17,500	4,500	13,000
South Pacific regional	2,400	2,400	
Asia regional	8,010	8,010	
Total for Bureau	262,210	121,710	140,500
Bureau for Latin America and Caribbean:			
Belize	3,130	630	2,500
Bolivia	2,965	2,965	
Costa Rica	5,600	600	5,000
Dominican Republic	21,533	4,233	17,300
Ecuador	7,060	3,060	4,000
El Salvador	32,315	3,815	28,500
Guatemala	10,583	1,173	9,410
Guyana	648	648	
Haiti	11,590	11,590	
Honduras	13,798	5,798	8,000
Jamaica	3,650	150	3,500
Panama	4,800	1,800	3,000
Peru	20,770	5,770	15,000
Caribbean regional	8,288	3,288	5,000
ROCAP	3,350	3,350	
LAC regional	3,300	3,300	
Total for Bureau	153,380	52,170	101,210
Bureau for Near East:			
Morocco	10,400	10,400	
Yemen	14,973	14,973	
Near East regional—DA	700	700	
Total for Bureau	26,073	26,073	
Bureau for Science and Technology:			
Agriculture	82,100	82,100	
Energy	2,100	2,100	
Foresty and environment natural resources	2,400	2,400	
Multisector development	9,985	9,985	
Nutrition	6,500	6,500	

SUMMARY OF ADMINISTRATION REQUEST: AGRICULTURE—Continued

[In thousands of dollars]

	Total	Grants	Loans
Small activity	400	400	
Technical review and information	6,450	6,450	
Total for Bureau	109,935	109,935	
Bureau for Food, for Peace, and Voluntary Assistance:			
Food For Peace	4,000	4,000	
Private/Voluntary Coop	12,015	12,015	
Biden-Pell	1,000	1,000	
Total for Bureau	17,015	17,015	
Bureau for Program and Policy Coordination:			
Policy Development/Program Review	775	775	
Women In Development	525	525	
Total for Bureau	1,300	1,300	

Section 402: Population and health

[In millions of dollars]

	Population	Health
Fiscal year 1983 authorization	$211.0	$133.4
Fiscal year 1983 continuing resolution level	211.0	133.4
Fiscal year 1984 request	212.2	100.7
Fiscal year 1984 recommendation	232.0	142.0

This Section amends sections 104(g) (1) and (2) of the Foreign Assistance Act to authorize appropriations of $232 million for population and $142 million for health. These funds are authorized to support projects in maternal and child health care, family planning, research in contraception, demographic surveys, improved health service delivery systems, increased availability in pure drinking water, control of infectious diseases and other health-related efforts, in the developing countries.

POPULATION

The Committee recommends an authorization of population assistance that is $20 million higher than the level requested by the President. The Committee intends that the additional authorization of funds be used to provide the full $38 million earmark for the United Nations Fund for Population Activities, restoration of $1 million for the International Planned Parenthood Federation (IPPF), a voluntary U.S. contribution of $300,000 for the World Population Conference to be held in Mexico City, Mexico, in 1984, and augmented grants for private voluntary organizations.

The Committee adopted an amendment offered by Senators Percy and Pell which earmarks $38 million, or 16 percent, of the total population assistance authorized for the United Nations Fund for Population Activities (UNFPA). The Committee believes that

UNFPA is an effective multilateral vehicle for family planning efforts. Since 1969 the UNFPA has sponsored programs in 135 nations. In this same time period the U.S. contribution to the UNFPA has dropped from 85 percent of total budget in 1969 to roughly 23 percent currently. The Committee believes that the administration's planned reduction in the U.S. contribution of 26 percent is ill-timed and unjustified. In 1984 the UNFPA will coordinate activities related to the World Population Conference in Mexico City. The United States should support these efforts to the maximum extent feasible.

HEALTH

The Committee takes strong exception to the President's fiscal 1984 request for health funding which would decrease this functional account by 25 percent from $133.5 million in the continuing resolution to $100 million. Such a sharp cut would be a radical departure from recent years. Funding for health was $135 million in fiscal 1981, $133.4 million in fiscal 1982 and is currently $133.4 million. The Committee believes that the proposed funding reduction is part of a pattern of decreased emphasis on health programs in AID's program portfolio. Staff positions, combining health and population officers, for example, have declined from 225 to 200 in the past several years. The number of physicians serving as health officers has declined by one third in this same period.

The Committee wishes to express its deep concern with this trend, and its firm resolve to see it reversed. The Committee notes that new approaches in primary health care could yield a halving of infant and child mortality rates in the developing countries where 40,000 children die each day. Such low cost health interventions can be implemented by village health workers supported by an improved primary health care delivery system. It is the strong Committee belief that AID should be at the "cutting edge" of such innovations in international health issues, and not in the full retreat. The Committee further believes that as reflected in the continuing resolution, Congress clearly intends that health be restored as a priority in AID's development strategy.

The Committee suggests that with the additional authorization AID consider providing:

$5 million for private voluntary organizations which were cut by $4 million in the President's request;

$10 million for biomedical research to ensure continued funding for critical programs such as malaria vaccine research, the WHO diarrheal disease program, the Bangladesh research laboratory, and the WHO and World Bank tropical disease research program;

$10 million to strengthen AID's technical capability by tapping the skills and resources of universities, professional associations, and other private sector institutions to provide the necessary training, management and operational and applied research that is needed to expand primary health care delivery systems in the developing countries;

$10 million to establish a centralized pharmaceutical commodities program that can assist the developing countries in their primary health care efforts by ensuring a stable supply of basic drugs and essential commodities.

Role of universities

The Committee believes that new approaches of primary health care will permit developing countries to halve their infant and child mortality rates, and to improve dramatically the physical and intellectual growth of children, and to reduce the productivity loss encountered because of poor nutrition and the prevalence of disease. The Committee further asserts that U.S. assistance ought to be targeted to building the institutional capacity of recipient nations so that they can approach their primary health care problems in ways that are appropriate to their own, unique, environment.

Experience has demonstrated that mass implementation of primary health and nutrition care requires that an operating infrastructure be established, and that adaptive research be carried out in the targeted areas. AID has directed funds for biomedical research to develop new interventions for major diseases in the developing countries. A similar effort will be needed to ascertain how new interventions can be adapted to varying local conditions. Adaptive research and training for primary health care workers are the key ingredients in such an effort, and American universities are uniquely equipped to provide such functions for AID's bilateral health program. The Committee urges AID to work both with indigenous universities, and U.S. universities to develop appropriate primary health care intervention strategies that can provide dramatic reductions in infant and child mortality and morbidity rates in the developing countries.

SUMMARY OF ADMINISTRATION REQUEST: POPULATION AND HEALTH

TABLE 13.—SUMMARY—FISCAL YEAR 1984—POPULATION PLANNING

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Africa:			
Kenya	2,000	2,000	
Liberia	407	407	
Rwanda	1,800	1,800	
Sudan	2,697	2,697	
Zaire	1,592	1,592	
Africa regional	2,150	2,150	
Total for Bureau	10,646	10,646	
Bureau for Asia:			
Bangladesh	25,000	25,000	
India	9,000	9,000	
Indonesia	9,500	3,00	6,500
Nepal	2,300	2,300	
Philippines	11,000	4,000	7,000
Thailand	6,500	2,900	3,600
Asia regional	150	150	
Total for Bureau	63,450	46,350	17,100
Bureau for Latin America and Caribbean:			
Bolivia	10	10	
Costa Rica	475	475	

SUMMARY OF ADMINISTRATION REQUEST: POPULATION AND HEALTH—Continued

[In thousands of dollars]

	Total	Grants	Loans
Dominican Republic	146	146	
Ecuador	1,020	1,020	
El Salvador	3,535	3,535	
Guatemala	1,690	1,690	
Guyana	115	115	
Haiti	2,020	2,020	
Honduras	847	847	
Jamaica	1,530	1,530	
Panama	602	602	
Peru	20	20	
Caribbean regional	1,050	1,050	
LAC regional	200	200	
Total for Bureau	13,260	13,260	
Bureau for Near East:			
Morocco	4,500	4,500	
Yemen	250	250	
Near East regional—DA	1,000	1,000	
Total for Bureau	5,750	5,750	
Bureau for Science and Technology: Population, total	119,000	119,000	
Bureau for Program and Policy Coordination: Policy development/program review, total	125	125	
Total program	212,231	195,131	17,100

TABLE 14.—SUMMARY—FISCAL YEAR 1984—HEALTH ACTIVITIES

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Africa:			
Lesotho	1,950	1,950	
Liberia	5,459	5,459	
Somalia	4,430	4,430	
Sudan	2,103	2,103	
Togo	491	491	
Africa regional	15,763	15,763	
Total for Bureau	30,196	30,196	
Bureau for Asia:			
Burma	3,000	3,000	
Nepal	1,750	1,750	
Philippines	5,700	1,300	4,400
Sri Lanka	9,100	1,100	8,000
South Pacific regional	155	155	
Asia regional	1,550	1,550	
Total for Bureau	21,255	8,855	12,400
Bureau for Latin America and Caribbean:			
Belize	240	240	
Bolivia	775	775	
Dominican Republic	2,328	328	2,000
Ecuador	60	60	
El Salvador	25	25	
Guatemala	80	80	
Haiti	4,840	4,840	

TABLE 14.—SUMMARY—FISCAL YEAR 1984—HEALTH ACTIVITIES—Continued

[In thousands of dollars]

	Total	Grants	Loans
Honduras	6,025	2,025	4,000
Jamaica	50	50	
Peru	3,020	20	3,000
Caribbean regional	450	450	
LAC regional	50	50	
Total for Bureau	17,943	8,943	9,000
Bureau for Near East:			
Morocco	1,600	1,600	
Yemen	3,077	3,077	
Near East regional—DA	200	200	
Total for Bureau	4,877	4,877	
Bureau for Science and Technology:			
Health	16,300	16,300	
Nutrition	1,000	1,000	
Population	3,000	3,000	
Total for Bureau	20,300	20,300	
Bureau for Food, for Peace, and Voluntary Assistance: Private/voluntary co-op., total	3,200	3,200	
Bureau for Program and Policy Coordination: Policy development program review, total	135	135	
Bureau for Private Enterprise: Policy and investment, total	2,750	250	2,500
Total program	100,656	76,756	23,900

Section 403: Education and human resoures

	Millions
Fiscal year 1983 authorization	$103.6
Fiscal year 1983 continuing resolution level	103.6
Fiscal year 1984 request	121.5
Fiscal year 1984 recommendation	121.5

This Section amends Section 105(a) of the Foreign Assistance Act to authorize appropriations of $121.5 million for programs of education and human resource development. The Committee's full authorization of the President's fiscal 1984 request reflects its continuing belief that education is a linchpin for longterm development in the third world. An educated workforce increases productivity, and enhances the organizational capabilities of the developing nations. The President's increased request for education programs is also a reflection of the priority AID places on this facet of the development process. One fourth of the proposed program will be directed for Latin American and Caribbean projects, most of which are focused on employment related jobs training, primary school improvement, and special preschool child programs. Thirty percent of these funds will be targeted for Africa where the primary focus is on upgrading of professional, scientific and teaching skills. Twelve percent of the program is intended for Asia, and another ten percent is planned for the Near East region.

Section 403 also includes an amendment, introduced by Senator Kassebaum, earmarks $5 million for education assistance to South

Africans who have been denied fair access to education because of apartheid. It is the belief of the Committee that the institution attended by a student—which may be a result of domestic law, family income, or other circumstance—should not be a factor in determining eligibility for scholarship assistance. Senator Kassebaum stressed that a wide range of black South African opinion fully supported American involvement in a program of education assistance in-country. It is the Committee's belief that the program of local scholarships could be administered by personnel already in place through grants or contracts with existing scholarship programs, such as those administered by the Educational Opportunities Committee, the South African Institute of Race Relations, the NAFCOC scholarship program, and others.

SUMMARY OF ADMINISTRATION REQUEST: EDUCATION

TABLE 15.—SUMMARY—FISCAL YEAR 1984—EDUCATION AND HUMAN RESOURCES ACTIVITIES

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Africa:			
Cameroon	3,247	1,847	1,400
Lesotho	6,750	6,750	
Liberia	2,000	2,000	
Somalia	2,501	2,501	
Swaziland	3,994	3,994	
Tanzania	5,075	5,075	
Africa, regional	9,619	9,619	
Total for Bureau	33,186	31,786	1,400
Bureau for Asia:			
Bangladesh	200	200	
India	2,600	2,600	
Indonesia	9,000	3,000	6,000
Nepal	950	950	
Philippines	300	300	
Sri Lanka	100	100	
South Pacific regional	2,245	2,245	
Asia, regional	5,630	5,630	
Total for Bureau	21,025	15,025	6,000
Bureau for Latin America and Caribbean:			
Belize	250	250	
Bolivia	525	525	
Costa Rica	575	575	
Dominican Republic	6,321	2,321	4,000
Ecuador	1,090	1,090	
El Salvador	50	50	
Guatemala	457	457	
Haiti	350	350	
Honduras	2,590	2,590	
Jamaica	12,590	2,870	9,450
Panama	2,650	650	2,000
Peru	40	40	
Caribbean, regional	3,089	3,089	
ROCAP	750	750	
LAC, regional	11,844	11,844	
Total for Bureau	42,901	27,451	15,450

SUMMARY OF ADMINISTRATION REQUEST: EDUCATION—Continued

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Near East:			
Morocco	2,500	2,500	
Yemen	9,700	9,700	
Near East, regional—DA	3,400	3,400	
Total for Bureau	15,600	15,600	
Bureau for Science and Technology:			
Education	5,400	5,400	
International training	1,400	1,400	
Multisector development	865	865	
Total for Bureau	7,665	7,665	
Bureau for Food for Peace and Voluntary Assistance: Private/voluntary cooperation, total	550	550	
Bureau for Program and Policy Coordination:			
Policy development/program review	100	100	
Women in development	450	450	
Total for Bureau	550	550	
Total program	121,477	98,627	22,850

Section 404: Energy, private voluntary organizations and selected development activities

	Millions
Fiscal year 1983 authorization	$147.2
Fiscal year 1983 continuing resolution level	150.3
Fiscal year 1984 request	182.4
Fiscal year 1984 recommendation	181.4

This Section amends Section 106(e)(1) of the Foreign Assistance Act to authorize appropriation of $181.4 million for programs of energy, private voluntary organizations, and other selected development activities, and for programs of the Science Advisor. This functional account has evolved into a "catch-all" account for various AID-funded programs relating to private sector initiatives, energy conservation and development schemes, centrally funded private voluntary organization activities, and myriad institution-building efforts in the third world. The largest single activity to be funded from the SDA account will be private sector/private enterprise activities estimated at $70 million for fiscal 1984. Some $20 million of energy-related projects are to be funded through the SDA account, and $18 million in PVO project support will also derive from this account.

The Committee has approved most of the President's requested increase for this account, mindful of the administation's renewed emphasis on private sector and private enterprise efforts related to development. In making this authorization the Committee wishes to restate its longstanding view that such programs have a valuable role to play in the development process, but that projects to be funded by AID must be fully consistent with the criteria set forth in Sections 101 and 102 of the Foreign Assistance Act.

SUMMARY OF ADMINISTRATION REQUEST: SELECTED DEVELOPMENT ACTIVITIES

TABLE 16.—SUMMARY—FISCAL YEAR 1984—SELECTED DEVELOPMENT ACTIVITIES

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Africa:			
Burundi	1,300	1,300	
Liberia	2,000	2,000	
Rwanda	1,700	1,700	
Sudan	5,004	5,004	
Africa, regional	13,718	13,718	
Total for Bureau	23,722	23,722	
Bureau for Asia:			
Burma	500	500	
Indonesia	8,500	3,500	5,000
Philippines	400	400	
Sri Lanka	100	100	
Thailand	5,000		5,000
South Pacific, regional	300	300	
Asia, regional	2,960	2,960	
Total for Bureau	17,760	7,760	10,000
Bureau for Latin America and Caribbean:			
Belize	380	380	
Bolivia	725	725	
Costa Rica	8,350	1,350	7,000
Dominican Republic	672	672	
Ecuador	770	770	
El Salvador	2,075	2,075	
Guatemala	190	190	
Guyana	237	237	
Haiti	200	200	
Honduras	8,740	4,740	4,000
Jamaica	15,950	700	15,250
Panama	2,948	1,948	1,000
Peru	150	150	
Carribbean, regional	17,123	7,123	10,000
ROCAP	10,900	2,900	8,000
LAC, Regional	3,606	3,606	
Total for Bureau	73,016	27,766	45,250
Bureau for Near East: Near East, regional—DA, total	700	700	
Bureau for Science and Technology:			
Energy	8,300	8,300	
Forestry and environmental natural resources	750	750	
Multisector development	1,250	1,250	
Small activity	900	900	
Total for Bureau	14,100	14,100	
Bureau for Food for Peace and Voluntary Assistance:			
Private/voluntary cooperation	17,335	17,335	
Program Management Support Office	500	500	
Total for Bureau	17,835	17,835	
Bureau for Program and Policy Coordination:			
Economic affairs	300	300	
Evaluation	850	850	
Policy development/program review	1,365	1,365	
Women in development	1,275	1,275	
Total for Bureau	3,790	3,790	

SUMMARY OF ADMINISTRATION REQUEST: SELECTED DEVELOPMENT ACTIVITIES—Continued

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Private Enterprise:			
Housing	2,900	2,900	
Investment and development	17,900	10,400	7,500
Small and disadvantaged businesses	700	700	
Total for Bureau	21,500	14,000	7,500
Office of the Science Advisor: Science advisor, total	10,000	10,000	
Total program	182,423	119,673	62,750

Section 405: Private sector revolving fund

Section 405(a) amends Chapter 1 of Part I of the Foreign Assistance Act to authorize the establishment of a private sector revolving fund from which the Agency for International Development can finance United States as well as indiginous private sector development projects. For the purposes of this fund, the Committee approved an authorization of $20 million for fiscal 1984.

In providing this authorization the Committee adopted an amendment, offered by Senator Biden, which is designed to ensure Congressional control over the direction and funding pattern of this Fund. The Biden amendment provides for (1) a full description of the activities to be funded from the revolving fund, in the annual Congressional presentation documents; (2) a full report at the end of each fiscal year on the projects and activities that were financed by the Fund; and, (3) the establishment of a $100 million ceiling on the total size of the Fund. The Committee notes that these provisions were worked out with the active cooperation, and support, of the AID Administrator.

The Committee also adopted an amendment offered by Senator Boschwitz to include cooperatives in the program.

The Committee provides its authorization for the creation of a private sector revolving fund in the belief that AID's Private Enterprise Bureau has made considerable progress in clarifying its mission, and thus ought to have an opportunity to tap the creativity and talent of the private sector in the bilateral development assistance program. In this regard, the Committee is firm in its belief that such projects which may be funded by the Fund, or by the large "set-aside" private sector portfolio that has been identified by missions and regional bureaus, must be fully consonant with the stated purposes of chapter 1 of Part I of the Foreign Assistance Act.

In conjunction with the Committee action, M. Peter McPherson, the AID Administrator provided certain assurances concerning AID's management of the Fund, which are set forth in the following letter to Senator Biden:

AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., March 18, 1983.

Hon. JOSEPH R. BIDEN,
Senate Foreign Relations Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR BIDEN: We understand that you intend to support the establishment of a revolving fund for private sector activities in the Agency for International Development, as proposed in Section 405 of S. 637, the International Security and Development Cooperation Act of 1983. We fully appreciate your willingness to support this proposal. The revolving fund would give us a chance to experiment with more innovative ways of encouraging the private sectors in developing countries on a very selective basis. We are delighted to receive your cooperation and suggestions in carrying through this program.

We have also been advised that you would like to include three conditions on the use of the fund in the legislation: (1) a requirement that specific types of activities planned under the revolving fund be described in the Congressional Presentation each year; (2) a requirement for a report at the end of the fiscal year detailing the activities for which funds have been obligated during that year; and (3) establishment of a $100,000,000 ceiling on the total size of the fund. These requirements are completely consistent with the manner in which AID has intended to carry out activities through the fund, and we have no objection to their being included in the authorizing legislation.

You have also indicated that you would like AID to notify your committee when the intended fiscal year obligation for a type of activity financed under the revolving fund changes by more than $1 million from the amount specified in the Congressional Presentation, or when a type of activity of $1 million or more that was not included in the CP is planned for the fiscal year. Our understanding is that these notifications could be submitted when the activity is still in the planning stages, prior to the time AID enters into final negotiations with a firm for the obligation of funds. It is important that we be permitted to submit notifications at an earlier stage than is normally the case in order to ensure the cooperation of the business community in our efforts. Again, a notification procedure as described here is fully consistent with the manner in which we would like to carry out activities under the fund.

Although we believe that some modification of normal notification requirements is necessary for the revolving fund to be an effective development tool, we fully intend to consult with this committee and other interested Congressional members and staff throughout all stages of the development of projects to be financed under the fund. We will be particularly alert to consult with Congress in the planning stages of major or new innovative types of activities and look forward to your innovative types of activities and look forward to your suggestions.

We welcome your support for the revolving fund and anticipate its evolution into a very effective development tool with the cooperation and help of our committee.

Sincerely,

M. PETER MCPHERSON.

Section 406: United Nations Decade for Women

The Committee accepted an amendment offered by Senator Percy to earmark $500,000 of development assistance funds for international programs which support the original goals of the United Nations Decade for Women.

The Committee believes that the Agency for International Development's first formal Policy Paper on Women in Development is a significant positive step forward in addressing the problems of achieving the full assimilation of women into the national economicies of the developing world. Acceptance of the amendment to section 113 is intended to support the Agency in these efforts. The amendment reaffirms the Committee's strong belief in the importance of achieving a conscious and constant integration of women into all types of development projects. Toward this end, AID should continue its efforts of working with women in agriculture, small-scale enterprises and appropriate technologies generally; and institutional and private sector development and technology transfer, as these critical issues impact upon and involve women, specifically.

The Committee supports the Agency's continuing efforts to institutionalize a conscious concern from women in development throughout its programming process both in Washington and in its field missions.

The Committee welcomes recent steps taken by AID to incorporate women in development concerns within the context of country and sector strategies for economic development, as well as ensuring that these concerns are reviewed on a project-by-project basis in a meaningful way. AID should continue its effort to define more precisely the social and economic context of its women in development program and is encouraged to continue its evaluations and assessments of the impact of these programs on the ability of women to have access to and control over the tools for development.

Section: 407: The Sahel development program

	Millions
Fiscal year 1983 authorization	$86.6
Fiscal year 1983 continuing resolution level	93.8
Fiscal year 1984 request	103.0
Fiscal year 1984 recommendation	95.0

This Section amends Section 121(c) of the Foreign Assistance Act to authorize appropriation of $95 million for the Sahel Development Program. The Committee notes that excess authorization is available to the administration for this program, and that in order to provide the President's request level for the Sahel program, an additional authorization of $95 million is needed. In taking this action the Committee emphasizes that in no way is this construed to be reduction in the President's request, nor a slackening in Committee support for this important cooperative development program. The Committee urges Congress to provide the full $103 million appropriation that has been requested for this program, which continues to provide assistance for irrigation, crop improvements, livestock management, and management training for the Sahelian nations of Cape Verde, Chad, the Gambia, Mali, Mauritania, Niger, Senegal, and Upper Volta.

SUMMARY OF ADMINISTRATION REQUEST: THE SAHEL

TABLE 17.—SUMMARY—FISCAL YEAR 1984—SAHEL DEVELOPMENT PROGRAM ACTIVITIES

[In thousands of dollars]

	Total	Grants	Loans
Bureau for Africa:			
Cape Verde	2,000	2,000	
Chad	9,000	9,000	
Gambia	3,500	3,500	
Mali	9,700	9,700	
Mauritania	5,000	5,000	
Niger	16,000	16,000	
Senegal	18,000	18,000	
Upper Volta	9,800	9,800	
Sahel, regional program	30,000	30,000	
Total program for Bureau	103,000	103,000	

Section 408: Private voluntary organizations

The Committee adopted an amendment offered by Senator Pell which amends Section 123 of the Foreign Assistance Act by directing the President to provide not less than 15 percent of the AID program budget through the private voluntary organizations (PVO's). The Pell amendment is similar to a provision, adopted by the Committee two years ago, which would have required at least 16 percent for such purposes. Ultimately Congress adopted a modified provision, now current law, which requires 12 percent for this purpose, and urges a target of 16 percent.

In adopting the Pell amendment, the Committee notes that for the past three fiscal years AID's funding of PVO's has remained flat—at 13 percent. This year's estimate is for 13.1 percent of $211 million. Virtually no progress has been achieved in meeting the targeted 16 percent in current law. The Committee believes that this provision will impose no hardship on AID. Since the Committee has restored the cuts in the health account, $4 million additional funds will be available to health PVO's—the amount that was cut within the $33 million reduction assumed in the President's fiscal year 1984 budget request.

In addition, according to sources at AID and within the PVO community, $4.8 million in cuts in the PVO matching grant program could be restored over the next three fiscal years, if additional funds were available as a result of this amendment. The matching grant program is the best example of a creative, AID–PVO partnership that ought to be fostered, and stengthened. PVO's play an important part in our bilateral aid program. Some 156 PVO's are formally registered with AID, and qualify for various grant programs with the agency. Organizations with national and international reputations such as CARE, Catholic Relief Services, World Vision, Chruch World Service, the YMCA, the National Rural Electrification Coop, the Credit Union National Association, the International Nursing Service, and Rhode Island-based Foster Parent Plan, have all contributed mightily to putting a human face on the U.S. aid program all around the world.

The PVO's also play an important role with the American public. They have augmented the resources made available for development programs by raising $4 for every $1 in grant funds provided by AID. They are also cost effective as aid planners and project implementers: overseas administrative and management costs run about 5.5 percent for PVO's compared to roughly 19.3 percent for AID. The Committee is committed to the principle that we guarantee a minimum amount of funding for this important partnership in the bilateral aid program, and is pleased to note that this amendment was worked out with the administration, and has its acquiescence.

Section 409: Targeted development aid

The Committee reenacted a provision, similar to one adopted in its consideration of the Security Enhancement Act of 1982, which directs the President to assure that a substantial percentage of development assistance be provided so as to "directly" improve the lives of the poor majority, especially those persons who can be described as living in absolute poverty.

In adopting this provision, the Committee reasserts its longstanding belief that development assistance programs ought to be benefiting, and directly targeted to improving, the lives of the poor majority in the developing countries. This is the intent of existing legislation which governs the development assistance, and related economic assistance, program. Those individuals with per capita incomes below $150 per year, low life expectancy (below 55) and inadequate caloric and nutritional diets constitute some 800 million people in the developing countries, 85 percent of whom live and work in rural areas. Forty percent of this total reside in South Asia, 15 percent live in sub-Saharan Africa, and 15 percent live in Latin America, North Africa and the Middle East.

The Committee continues to view the development assistance program as the one consistent link between U.S. foreign policy and the needs and aspirations of the developing countries. As such, it ought to be tailored to meet the basic human needs of nutrition, education, housing, clean water, and primary health care. The Committee asserts its view that the social and economic ills that currently afflict much of the third world are integral to the policitial stability of those societies. To the extent that the United States seeks to bolster its security, and economic relationship with these countries, it must be engaged in assisting them to resolve their development problems, or risk deepening turmiol and political unrest. With these concerns in mind, the Committee unanimously adopted the targeted development aid provision.

Section 410: Development assistance for Pakistan

This section authorizes additional appropriations of up to $25 million in development assistance for Pakistan. It is not the Committee's intention that funds already programmed for Development activities in the congressional presentation be used for Pakistan. Rather, it is the Committee's intention that Development funds can be used only if (1) the activities to be funded in Pakistan meet development aid criteria, and (2) funds for such activities (up to $25 million) come from appropriations to the Development accounts that are in excess of the Administration's request for those accounts. The Committee expects the Administration in subsequent years to continue to request funds for Pakistan from the Economic Support Fund.

Section 411: Housing guaranty program

Section 411 amends section 221 of the Foreign Assistance Act to clarify the language authorizing housing guaranties for urban development activities in addition to the construction of housing. This provision does not confer or expand existing authority.

The Housing Guaranty Program is AID's prime resource for implementing shelter programs and related supportive activities. A total of $1.74 billion dollars has been authorized for Housing Guaranty Program purposes since its inception twenty years ago. To date some 167 projects have been carried out, or are in progress, in 44 countries. The Housing Guaranty Program is a unique effort in which the U.S. private sector provides long term financing for low income shelter and neighborhood upgrading programs in developing countries. The United States underwrites these transactions by providing guaranties to protect the U.S. lenders against possible loss. AID charges a fee for its guaranty to cover operating expenses and to provide a reserve against claim losses. As a result, the program is largely self-supporting. Projects are designed to assist participating institutions to define and clarify national housing policies, and to strengthen their capacity to plan, finance, implement and service housing programs for lower income groups.

Section 411 of the bill makes certain technical changes in the HG program as well as authorizing the program through fiscal year 1985.

Subsection (b) amends section 222(a) of the Foreign Assistance Act to provide that eligible investors under the program will be defined by regulation issued by AID rather than by the current definition contained in section 238(c) of the Act, which is part of the OPIC legislation and more appropriate to its program. The effect of this provision would be to enable AID to maximize the role of U.S. capital market lenders while improving the negotiability of its notes.

Subsection (b) amends section 222(a) to increase the total amount of housing guaranties authorized to be outstanding from $1,718,000,000 to $1,868,000,000 and to provide that guarantee commitments are authorized for any fiscal year only to the extent provided in appropriation acts, and extends the authority for the housing guaranty program from September 30, 1984 to September 30, 1985.

Subsection (c) amends sections 223(f) of the Foreign Assistance Act to permit AID, in consultation with the Department of the Treasury, to prescribe maximum rate of interest allowable for housing guaranties that is reasonable in comparison to rates on comparable securities in the U.S. capital market. The current provision ties the maximum rate to the rate of HUD insured housing mortgages. The amendment reflects the broader range of investors now active in the HG program, whereas in the past the same lenders had been active in both the HG and domestic HUD programs.

Section 412. Agricultural and productive credit and self-help community development programs

This Section amends section 222A(c) of the Foreign Assistance Act to require that the annual guaranty authority be available to the extent or in an amount provided in appropriation acts.

Subsection (b) extends the authority of the program through September 30, 1984.

The Agricultural and Productive Credit and Self-Help Community Development Program provides a mechanism to encourage private lending organizations, cooperatives, and private nonprofit development organizations to participate in the development process in Latin America. The program authorizes AID to issue guaranties to these organizations to insure them against loss in the case of loans made for agricultural credit and self-help community development projects.

Section 413. International organizations and programs

	Millions
Fiscal year 1983 authorization	$218.6
Fiscal year 1983 continuing resolution level	249.0
Fiscal year 1984 request	190.0
Fiscal year 1984 recommendation	264.0

This Section amends Section 302(a)(1) of the Foreign Assistance Act to authorize appropriation of $264 million for voluntary U.S. contributions to selected International Organizations and Programs. The Committee adopted a funding level that is $14 million higher than one originally proposed by Senator Percy, as part of its adoption of the amendment offered by Senator Sarbanes which transferred $75.9 million from security assistance to development assistance programs. As it did two years ago, the Committee earmarked the thirteen programs which will receive funding from this authorization, in dollar and in percentage totals.

In adopting these higher figures the Committee reaffirms its deep commitment to the specialized agencies (which provide technical assistance to the developing nations and) which are funded by the voluntary contributions in ths account. In addition to important U.S. commitment to agencies like the OAS and the IAEA which serve our foreign policy interests, this amendment provides funding levels for specialized, humanitarian agencies like the United Nations Development Program, UNICEF, and the United Nations Environment Program (UNEP).

The Committee notes that these agencies serve U.S. interests overseas. The United Nations Development Program (UNDP), for example, has supported 236 major mineral surveys in the past decade, 153 of which focused on the search for minerals imported by the U.S. These surveys, as well as others conducted by UNDP, have attracted investments by Western corporations—including $1.5 billion worth of U.S. investments—in the developing countries.

The United Nations Environment Program (UNEP) has fostered international cooperation, and in the process has contributed to the clean-up of regional seas in both the Mediterranean and Caribbean regions. It has established, with strong U.S. encouragement, the Global Environmental Monitoring Systesm (GEMS) which has been widely praised in the scientific community. The President's 62 percent reduction in the U.S. contribution to UNEP only heightens fears in the international community that our commitment to a cleaner environment is in doubt—a concern which was broadly held during the recent chaos at the EPA.

The United Nation's Children's Fund (UNICEF) has recently launched a major worldwide health "revolution" that is intended to cut in half the number of children who die each day from preventable deaths related to malnutrition and communicable diseases. This is an exciting breakthrough in primary health care delivery because it builds on existing technology by expanding the delivery of servcies and basic drugs in the third world. In addition to this fine effort, UNICEF provided some of the most effective emergency aid to Lebanon during last summer's crisis there—demonstrating the tremendous organizational skills this kind of specialized U.N. agency possesses.

The Committee also noted that in general, Congress has consistently provided more funds for the I.O & P. account than has been requested by this administration. In 1981, when David Stockman's first optional budget was circulated, only $90 million would have been provided. Under strong Congressional pressure, this was increased to $215 million. Last year the President requested a budget of $173 million and Congress appropriated (in the C.R.) $249 million. Congressional support for these programs is likely to remain strong during consideration of the fiscal year 1984 authorization and appropriation's process.

The Committee adopted a provision introduced by Senator Pressler requiring that none of the funds authorized to be appropriated under this section shall be made available for the U.S. proportionate share for any programs for the PLO, SWAPO, Cuba, or Iran.

TABLE 18.—INTERNATIONAL OPERATIONS AND PROGRAMS ACCOUNT

[Dollar amounts in millions]

Programs	Fiscal year 1983	Fiscal year 1984 request	Proposed	Percent of total
UNDP	$140.0	$120.0	$160.0	60.6
UNICEF	42.5	27.0	52.0	19.7
IAEA	14.5	18.5	18.5	7.0
OAS	15.5	15.5	15.5	5.9
UNEP	7.85	3.0	10.0	3.8
WMO	2.3	2.3	2.3	.8
UNCDF	2.0	2.0	2.0	.7
UNETPSA	1.0	1.0	.8	.3
VF/DFW	0	.5	1.0	.4

TABLE 18.—INTERNATIONAL OPERATIONS AND PROGRAMS ACCOUNT—Continued

[Dollar amounts in millions]

Programs	Fiscal year 1983	Fiscal year 1984 request	Proposed	Percent of total
UN Fellowships	.45	0	.5	.2
UNITAR	.42	0	.5	.2
UNRISD	0	0	.5	.2
UNTFSA	.343	.343	.25	.1
CITES	.14	.15	.15	.1
UNIN	.5	0	0	0
Total	227	190	264	100.0

TITLE V.—OTHER ASSISTANCE PROGRAMS

Section 501: American schools and hospitals abroad (ASHA)

	Millions
Fiscal year 1983 authorization	$20.0
Fiscal year 1983 continuing resolution level	20.0
Fiscal year 1984 request	7.5
Fiscal year 1984 recommendation	30.0

This Section amends Section 214(c) of the Foreign Assistance Act to authorize appropriations of $30 million for the American Schools and Hospitals Abroad program (ASHA). The Committee adopted the higher level of funding for ASHA as part of its adoption of the amendment offered by Senator Sarbanes, which transferred $75.9 million in security assistance to the development assistance programs contained in this legislation.

In proposing this higher authorization the Committee notes that the ASHA program has been frozen at the $20 million level since Fiscal 1980 when the Foreign Relations Committee authorized $25 million for this program. The ASHA program office currently receives $80 million in requests for financial assistance each year, most of which qualify for ASHA funding, but go unfunded because of inadequate resources. Greece, for example, hosts four important American institutions, the American College of Greece in Athens, the American Farm School in Thessaloniki, Anatolia College in Thessaloniki and Athens College. These institutions have pending ASHA requests totaling $3.4 million. Last year only $725,000 was available for all four institutions, and without increased resources, a similar level of funding is expected again this year.

In Central America two institutions, the University of the Valley in Guatemala, and the Pan American Agricultural School in Honduras, serve important developmental purposes in those two troubled nations. Their total fiscal year 1984 request is a little over $4 million, but without an expansion in ASHA resources it is expected that no more than half that amount will be funded. Israel hosts more than 20 U.S. institutions which have annually requested $20 million from ASHA. Of that amount, only $3 million can actually be provided because of limited ASHA resources. Two of the most prominent of these institutions are the Hadassah Medical College, and the Feinberg Graduate School of the Weizmann Institute which have, in recent years, been receiving only one fourth to one half their annual requests.

Perhaps the best example of the value of the ASHA program is the American University Hospital in Beirut. In the 1960's ASHA provided $31 million to AUB to build the new hospital complex that cared for 2,629 injured and wounded during last summer's invasion, and more recently, over 100 who were injured in the tragic bombing of the U.S. Embassy in Beirut.

Inflation has also taken a terrible toll on the ASHA program. What $1.00 would buy in 1970, when the program acutally received $25.9 million in appropriations, required $2.49 to purchase in 1982. In light of these factors, the Committee believes the $30 million authorization for ASHA is fully justified.

In recent years the ASHA has achieved greater geographic diversity in the award of its grants. Although the Committee acknowledges that each year's grants depend on the pool of applicants, the nature of their proposals, and funding availabilities. the Committee is encouraged by the progress achieved thus far toward improving the geographic distribution of the ASHA program.

Section 502: Surplus food assistance

Section 502 was introduced by Senators Pressler and Percy. It adds to Section 299 of the Foreign Assistance Act of 1961 a new Section 299A, which authorizes the Secretary of Agriculture to furnish agricultural commodities acquired and held by the Commodity Credit Corporation throught price support operations to carry out the purposes of Title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). This provision permits expansion of commodity availabilities for these purposes over and above amounts programmed under Public Law 480 Title II, without requiring additional funding authorization, since the commodities are already owned by the Commodity Credit Corporation. In periods such as the present when CCC holdings are high, this provision should make possible substantial increases in the availabilities for famine and other relief purposes at little, if any, net costs to the United States.

The Commitee strongly supports active use of this provision at a time when mutual benefits appear particularly great. The prolonged world recession compounded by extensive disruption of populations around the world from wars, insurrections, as well as famine an other natural disasters, have created exceptionally extensive and urgent needs. At the same time, unusually great U.S. supplies of agricultural commodities and low prices make it especially advantageous and efficient to supply commmodities held by the CCC at great expense in storage charges to the U.S. taxpayer. The Committee believes it may be possible through this provision to reduce the net cost of overall U.S. agricultural programs by accelerating commodity disposal, thereby reducing the cost of storage charges over long periods.

Section 503: International narcotics control

	Millions
Fiscal year 1983 continuing resolution	$36.7
Fiscal year 1984 request	53.0
Fiscal year 1984 recommendation	53.0

Section 503 authorizes appropriations of $53 million for international narcotics control purposes and requires the President to suspend aid to any country if he determines that such country has failed to take adequate measures to prevent the illegal entry into the United States of narcotics and other controlled substances.

On March 12, 1983, Senator Moynihan testified before the Subcommittee on Near Eastern and South Asian Affairs concerning the growing problem of illicit international narcotics production and trafficking and its effects on U.S. interests abroad and home. At that time, he called upon the Committee to develop legislation that would combat the importation of illicit narcotics to the United States by encouraging source countries to undertake more effective anti-narcotics programs. Consequently, in an effort to address Senator Moynihan's concern, Senators Percy, Biden, and Pell, worked with Senator Moynihan to develop an amendment to Section 481 that would establish a closer connection between the provision of U.S. foreign assistance and the development and execution by source countries receiving such assistance of methods to combat illicit narcotics enterprises. Subsequently, the Committee unanimously adopted an amendment offered by Senator Biden and cosponsored by Senators Percy, Pell, Helms, Sarbanes and Dodd.

Section 503(a) of the bill amends Section 481 of the Foreign Assistance Act. Section 481 provides authority for operation of the International Narcotics Control Program of the Department of State. It provides that the President shall suspend assistance under this Act to countries which do not take "adequate steps to prevent narcotic drugs and other controlled substances from entering the United States illegally.

The new section 481(a) restates the basic authority for rendering narcotics-related assistance and directs the President to suspend all U.S. assistance, except for narcotics control assistance, food, medicine, and disaster relief, to those countries which he determines have failed to take "adequate measures" to prevent illicit narcotics and other controlled substances from entering the United States illegally.

The new section 481(a)(1) adds the new requirement that if U.S. assistance has been suspended because a country has failed to take adequate measures to cope with its illicit narcotics and controlled substances production and trafficking intended for the United States, such assistance can only be renewed if the President determines that the government of the affected country has prepared and committed itself to a plan that will result in the control, reduciton, and gradual elimination of the illicit narcotics and other controlled substances intended for the United States. This plan should provide a specific timetable for achieving its objectives and may be developed in consultation with U.S. government officials prior to the renewal of aid.

The new subsection 481(a)(2) adds a second new requirement that when assistance has been suspended pursuant to Section 481(a) supra, it can only be renewed if the government of the affected country has also taken legal and law enforcement measures to enforce the effective suppression of the illicit production and trafficking in narcotics and other controlled substances intended for the United States.

Together, Subsections (a)(1) and (a)(2) create a framework for assessing the appropriateness of renewing U.S. assistance to countries which have had their assistance cut off for narcotics control-related reasons.

By adding the requirements of subsections (a)(1) and (a)(2), the Congress makes its intent clear: U.S. assistance is an investment in the well-being and future development of the recipient country. Recipient countries that do not deal effectively with serious illicit narcotics problems that affect U.S. interests are poor long-term investments. However, when significant prospects for improvement do exist, U.S. assistance may be worth renewing to encourage such a positive development but only after the recipient country has made tangible efforts to combat the narcotics problem.

The new subsections 481 (b)(1) through (b)(4) provide definitions for the terms "United States Assistance", "adequate measures", "narcotic drugs", "other controlled substances", and "legal and law enforcement measures."

Regarding "United States Assistance," the term is defined to cover all forms of U.S. assistance including economic and security assistance, except assistance for food, medicine, or disaster relief and narcotics control programs. Thus, U.S. assistance includes FMS, MAP, ESF, and IMET as well as other programs of the U.S. Government that could be of benefit to the affected country. The definition is intended to be broad and all-inclusive except for the specific categories of aid specified as permissible. The term U.S. assistance does not include U.S. contributions to multilateral organizations.

"Adequate measures" are expected to be substantial in nature taking into account the severity of the drug problem in the affected country. Adequate measures should also be assessed in light of the capacity of the affected government to combat the narcotics problem using available resources.

"Narcotics drugs" and "other controlled substances" are to be defined in accordance with the laws of the country or countries subject to Section 481 and to the extent that the affected country is a party to international agreements dealing with narcotics control. Most of the countries subject to Section 481 are parties to the Single Convention on Narcotic Drugs of 1961 and the Multilateral Convention on Psychotropic Substances.

Is is the Committee's view that the narcotics problem can be addressed most effectively in the source country through a combination of vigorous law enforcement and anti-narcotics operations. Thus, "legal and law enforcement measures" are deemed to be actions such as the drafting and implementation of strong laws designed to combat illicit narcotics enterprises, which, to the maximum extent feasible, are undertaken by the source country to combat its narcotics problem. It is expected that such actions will also include effective police actions by the source country authorities which are responsible for combatting illicit narcotics enterprises in the source country.

The new section 481(c) adds the new provision that U.S. assistance to any country shall be terminated by the President if the

Congress so directs by concurrent resolution stating that such country is substantially in violation of Section 481.

The new section 481(c) adds the new provision that U.S. assistance to any country which is substantially in violation of Section 481 shall be terminated by the President if the Congress so directs by concurrent resolution.

This provision makes it clear that the Congress has a strong oversight interest in the application of Section 481 and may invoke its authority in extraordinary cases where the President is otherwise reluctant to suspend such aid, as defined by Section 481(b)(1).

Section 503(c) of the bill provides for renumbering of already existing subsections to conform to the new language of Section 481.

Section 503(d) of the bill adds the new requirement that as part of the annual report to Congress on the U.S. policy to encourage an international strategy to combat illicit narcotics production and trafficking, the report shall address for those countries for which the President is requesting U.S. assistance for the following fiscal year and which are illicit exporters of such drugs to the United States, the legal and law enforcement measures planned and implemented to reduce such illicit activities.

The intent of Section 503(d) is to ensure that the Congress and the President have adequate information to assess the status of illicit narcotics trafficking and production in those countries which are to be provided U.S. assistance. Since markets for illicit narcotics and other controlled substances are fluid and can be established in relatively short periods of time, this additional information should help Congress and the Executive Branch to identify potential trouble spots and to monitor the efforts made by aid recipients to cope with their narcotics problems.

Section 503(e) authorizes appropriations of $53,030,000 million for international narcotics control programs for fiscal year 1984.

Section 504: International Disaster Assistance

	Millions
Fiscal year 1983 authorization	$27,000.0
Fiscal year 1983 continuing resolution level	25,000.0
Fiscal year 1984 request	25,000.0
Fiscal year 1984 recommendation	25,000.0

This Section amends Section 492(a) of the Foreign Assistance Act to authorize appropriations of $25.0 million for international disaster assistance for fiscal year 1984. This provision maintains the funding authorization for this purpose at the same level in current dollar terms as the preceeding year.

TITLE VI—ANTI-TERRORISM ASSISTANCE

Section 601: Anti-Terrorism Assistance

Title VI of the bill creates a new chapter 8 in the Foreign Assistance Act of 1961 which creates an anti-terrorism assistance program. Chapter 8 consists of five sections related to anti-terrorism programs.

Section 571(a) authorizes the President to provide assistance to foreign countries to enhance the ability of their law enforcement officials to deter terrorists and terrorist groups from engaging in international terrorist acts such as bombing, kidnapping, assassination, hostage taking, and hijacking. Assistance is to be provided for training, commodities and equipment that would help to detect, deter and prevent acts of terrorism and manage such incidents if they occur.

The program would be exempt from the current prohibition in law against police training set forth in Section 660 of the Foreign Assistance Act. Present exemptions to the Section 660 prohibition are for international narcotics control and to curb illegal emigration.

Section 571(b) provides the authority for the U.S. Government to grant services and commodities for use in the program subject to reimbursement from funds authorized for this program.

According to the Administration, the agencies involved will agree upon the terms and conditions for reimbursement to such agencies from funds authorized for this program.

Section 571(c) provides the authority to "sell" anti-terrorism assistance to countries which are able to reimburse the U.S. Government for the program costs. In such cases, the participating country will be charged the actual additional costs of program assistance.

Section 571(c) also makes it clear that FMS credits and guarantees cannot be used to pay for assistance specifically authorized under this program.

The prohibition has been established because the Committee believes that allowing the use of FMS credits and guarantees is inconsistent with Congressional intent establishing the program and would serve as a back door means of increasing the $5 million specifically authorized by the Committee to carry out the program objectives.

Section 571(d) provides that the Assistant Secretary of State for Human Rights and Humanitarian Affairs shall be consulted in the development and implementation of the anti-terrorism program. The section is intended to ensure that respect for and observance of human rights is specifically considered in determining which countries are eligible for assistance and the type of assistance which is most appropriate for the country under consideration. This provision thus underscores the belief that the prevention and detection of terrorist acts must be closely tied to the continuing observance of and respect for fundamental human rights.

Section 571(e) sets forth a series of prohibitions and limitations on assistance provided pursuant to the program.

Subsection (e)(1) states that all training is to be conducted in the United States. This subsection reinforces the Administration's previous statements that it intends to carry out training at existing facilities in the United States, thus ensuring greater control over the quality, kind, and costs of training that is provided.

Subsection (e)(2) specifies that U.S. Government employees involved in the program are required to perform their responsibilities to the maximum extent possible in the United States. However, program officers may, while located outside the United States, for short periods not to exceed 30 calendar days, provide advice to program participants. This provision makes it clear that program officers are expected to perform their responsibilities in the United States and that only on a limited basis can they travel outside the

United States to advise program participants. Such travel may be necessary to advise program participants onsite as to the most effective means available to implement and adapt skills acquired in the training program.

Subsection (e)(3) prohibits Department of State employees except certain Office of Security personnel from providing training or services to program participants. This subsection is intended to allay concerns that have been expressed about the property of the Department of State's involvement in a program which is concerned essentially with international law enforcement objectives. The prohibition reinforces the Department of State's involvement in a program which is concerned essentially with international law enforcement objectives. The prohibition reinforces the Department of State's role as the administrator of the program and not as a law enforcement agency providing technical instruction to program participants. A limited exception is made, however, for certain employees of the Office of Security of the State Department who are considered uniquely qualified to provide instruction on physical protection of diplomatic personnel and facilities. At present, the Office of Security is charged with providing such protection for the U.S. diplomatic facilities and personnel.

Subsection (e)(4) prohibits the transfer of defense aritcles on the munitions list under the commodity transfer authority of the program. The Administration has gone on record that a modest level of equipment transfer carried out pursuant to this program would include such items as passenger screening equipment for airports and explosive ordnance and bomb disposal equipment, and would not include highly sophisticated and expensive items. The prohibition therefore is intended to conform to the Administration's stated objective while limiting equipment exchanges to a reasonable range that would be of legitimate and specific application in detecting, preventing and managing terrorist incidents.

Subsection (e)(5) prohibits the provision of services, equipment, personnel or facilities involved in intelligence collection as defined in Executive Order 12333 of December 4, 1981.

This prohibition is intended to make clear that the antiterrorism assistance program is not in any respect a U.S. Government intelligence program and that it is not the intention of the Department of State to use the program in this manner. The prohibition also makes it clear that the program is not intended to enhance the police intelligence capabilities of the recipient government through the provision of services, equipment or training. However, this provision would not prohibit limited training in the organization of intelligence for anti-terrorism purposes as part of the program provided that such training shall be permitted only so long as it is of a character already available through agencies and departments of the Federal Government, other than the Department of State, at existing facilities located in the United States. Moreover, any training that is offered under this subsection shall not be conducted by employees of the Department of State.

It should be emphasized that it is the Committee's understanding that any such training that may be offered is to be completely divorced from any and all intelligence operations of the U.S. Government or any government participating in this program as well as any cooperation in operational intelligence matters between the U.S. Government and other governments. The program is solely intended to enhance the law enforcement capabilities of the participating country to deter, detect, and, if they occur, manage terrorist incidents.

Subsection (e)(6) provides for a three-year sunset on the program. Since it is in many respects a pilot program, the Committee believes it should be carefully and jointly reviewed by the Administration and the appropriate Committees of the Congress. Depending upon the success of the program in achieving its objectives, it may then be appropriate to extend the authority to carry out its functions. The Subsection also provides that funds obligated prior to expiration of the program can be expended for purposes consistent with the program. These monies could be used to complete ongoing projects or for administrative purposes to close-out the program.

Subsection (e)(7) requires a thirty-day advance notification to the Chairman of the Committee on Foreign Relations of the Senate and the Chairman of the Committee on Foreign Affairs of the House of Representatives prior to the obligation of funds made available under this authority of those countries that initially will be participating in the program. Such notification must specify the country receiving assistance, the type and value of the assistance, the terms and duration of the assistance, and an explanation of how the proposed assistance will further the program objectives. The subsection also provides authority to the Chairman of the Committees cited herein to request current reports on human rights practices with respect to those countries that will be participating initially in the program. If such a report is requested, no assistance shall be provided to the proposed program participant prior to transmittal of the report to the requesting Committee.

The notification and reporting requirements are intended to ensure proper advance Congressional notification and specifically, consultation on the original list of countries eligible to participate in the program. Providing the Committee Chairman with the additional authority to request current human rights reports also assures that respect for and the observance of fundamental human rights remains an essential objective of the program.

Subsection (e)(8) provides that an annual report shall be provided to the Congress identifying the countries participating in the program including the type, place, and duration of the training being provided, numbers of personnel being trained, and type of equipment being transferred. This reporting requirement is intended to insure continuing Congressional oversight and enhance the fulfillment of the objectives of the program.

Section 572 provides the authorization to appropriate $4,000,000 to carry out the program during fiscal year 1984. According to the Administration, this amount of money should be adequate for fiscal year 1984. In addition, the Administration is authorized to reprogram up to $2,500,000 made available for fiscal year 1983 for military assistance programs. Using the experience of other USG international exchange programs the Administration estimates an average cost of approximately $4,000 for each trainee. Courses will run from one week to five or six, using an average of three weeks for cost estimates. Costs will be somewhat lower than those for most international exchange programs as the per diem maintenance rates are quite reasonable at FBI and Federal Law Enforcement Training Center facilities, particularly when compared with full per diem for individual travel around the United States.

The Administration also believes that some participating countries will pick up part if not all the costs for their trainees.

Section 573 sets forth the purposes of the program which are designed:

(1) to enhance the law enforcement anti-terrorism skills of friendly countries by providing training and equipment to deter and counter terrorism; and

(2) to strengthen our bilateral ties with friendly governments by offering concrete assistance in this area of great mutual concern and

(3) increase respect for human rights by sharing with foreign civil authorities modern, humane, and effective anti-terrorism techniques.

TITLE VII.—GENERAL PROVISIONS

Section 701: Endangered species

This provision adds a new section, Section 119, to the Foreign Assistance Act of 1961 making the preservation of endangered animal and plant species an important objective of United States development assistance. This provision is the same as Section 2 of S. 1067, The International Environment Protection Act of 1983, introduced by Senator Pell and co-sponsored by Senators Percy, Glenn, and Chafee.

Subsection (b) of the new Section 119 authorizes the President to provide assistance to countries to help them protect and maintain wildlife habitats and to develop sound wildlife management programs. Particular emphasis is given to the establishment of wildlife sanctuaries, reserves, and parks; to the enactment and enforcement of antipoaching measures; and to the support of efforts to identify, study and catalogue animal and plant species, particularly in tropical environments.

Subsection (c) requires the Administrator of the Agency for International Development, with the assistance of the Secretary of State, the Secretary of Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality and the heads of other appropriate government agencies to develop a government-wide strategy, including specific policies and programs, to protect and conserve biological diversity in developing countries. The Fish and Wildlife Service and the National Park Service have a well deserved reputation for many years of effective work in programs to protect endangered species and wildlife habitats. The Committee urges the Administrator of AID to take full advantage of the expertise of these services in developing the strategy to protect and conserve biological diversity and in implementing the programs authorized by the new Section 119. The Committee urges the Administration and the appropriate congressional committees to give serious consideration to expanding the international operations of both the National Park Service and The Fish and Wildlife Service.

Subsection (d) contains two reporting requirements. One is for an annual report, as an annex to the report required by Section 634(a) of the Foreign Assistance Act on the implementation of this section. Such a report should include a description of the specific projects undertaken pursuant to this section. The report should also include information on the involvement of other government agencies. The second reporting requirement is for a one-time report describing fully the United States strategy to protect and conserve biological diversity, as mandated by subsection (c).

The Committee considers this amendment a timely approach for dealing with the increasingly serious problems of the extinction of species. The loss of species, as is now widely recognized, can have a major impact on human welfare in both the developed and developing countries. Wild species have a vital role in providing the biological material for high-yield, disease resistant agricultural hybrids; for traditional and modern medicine; and even for industrial uses. Loss of species can contribute to the disruption of entire ecosystems with far-reaching environmental and economic consequences.

Section 702: United States procurement enhancement

Section 702 was introduced by Senator Percy, adds a new Section 604(h) to the Foreign Assistance Act which calls on AID to help suppliers of U.S.-origin goods and services in competing effectively for procurement opportunities under development assistance, economic support fund and multilateral development bank funding. It requires an annual report on implementation, identifying (1) the percentage of development assistance and economic support fund procurements from U.S. sources and (2) efforts to analyze and assist U.S. firms with their problems in competing for projects funded from development assistance and economic support funds as well as from multilateral development bank financing.

The Committee notes that over the past several years, AID has estimated that roughly 70–75 percent of development assistance funds have been used for U.S. source procurement. However, the Committee has not been given documentation of these estimates. Some sources advise that internal AID data may be very incomplete, particularly because of difficulties getting overseas AID missions to report results of in-country procurement. This amendment has as one objective to obtain an accurate and comprehensive evaluation of the extent of U.S. procurement from development assistance funds.

Information available to the Committee indicates that waivers granted for non-U.S. procurement under development assistance funding tend to concentrate in a relatively few product categories some of which involve large dollar amounts. One example is vehicles. With considerably increased flexibility now developing in the U.S. auto industry, including expansion of robotic and other flexible production capabilities and influx of Japanese-owned manufacturing, it appears timely for AID to review its waiver practices and possibly to negotiate with U.S. vehicle producers to determine whether they can be included to compete more effectively by resuming production of right-hand drive vehicles or other appropriate responses.

U.S. AID missions overseas have rarely felt that their reponsibilities included assistance to U.S. buisness in expanding their share of procurement under U.S. economic assistance. In fact the Committee has received strong complaints from U.S. firms in specific instances of procurements with development assistance funds in host countries, where AID mission response to companies needing to know the status of pending procurements were so poor that the firms judged that their ability to obtain timely information from the U.S. AID mission prevented their competing successfully.

One intention of this amendment is to bring about a clear sense of AID mission responsibility by U.S. AID officials overseas for supporting and facilitating U.S. procurement. This amendment consciously avoids arbitrary restrictions on non-U.S. source competitiveness. However, unless clear progress is made in expanding U.S. procurement by missions abroad, pressure for closer tying to U.S. procurement can be expected.

Of particular disappointment to the Committee has been the difficulty of improving the U.S. share of procurement under multilateral development bank financing. This amendment requires AID missions to coordinate with other elements of the U.S. mission in countries employing multilateral development bank funding in assisting expansion of U.S. procurement opportunities financed by multilateral development banks.

Specifically it is intended by this amendment that at each post where FAA and MDB procurement is contracted by host country agencies, AID should instruct its mission to appoint an officer responsible within the mission for carrying out its responsibilities in support of this amendment: this procurement assistance officer should coordinate closely with the Embassy Commercial officer in U.S. procurement enhancement activities, which would include the following:

> Follow-up with AID and host country procurement agencies to arrange regular, complete reporting of procurement sourcing;
>
> Work out an "early alert" system to assure that FAA and MDB offer and bid opportunities are reported quickly enough to be actionable by representatives of U.S.-source suppliers—both those located in the U.S. and representatives in local neighoring countries;
>
> Work with local U.S. business chambers and organizations to establish a list of U.S. suppliers wishing notification of AID and multilateral development bank procurement opportunities;
>
> Survey resident representatives of U.S.-source suppliers to identify AID procurement procedures which might realistically be improved.

In addition AID missions should be required to give prompt and cooperative assistance to U.S. firms and representatives of U.S. suppliers requesting information about the status of bids in which they are competing whether under development assistance or economic support funds.

Information provided to contractors, of course, must be consistent with U.S., host government, and MDB regulations.

Because of the importance of close coordination with the U.S. Department of Commerce and the specialized nature of procurement assistance, AID may wish to consider requesting the assistance of the International Trade Administration in seconding an experience commercial officer with strong background in developing countries to AID Washington to assist in implementing the requirements of this amendment.

Section 703: Completion of plans and cost estimates

This Section amends section 611(a) of the Foreign Assistance Act to increase the dollar value of projects requiring detailed plans and cost estimates from $100,000 to $500,000. This provision does not imply that plans and cost estimates are not needed for projects of $500,000 or less. Rather, the detailed plans and cost estimates currently required by AID will no longer be required by statute for small activities of $500,000 or less. The Administration justified this change noting that inflation since 1958, when this provision was first enacted, argued for an increase in the minimum amount.

Subsection (b) amends section 611(b) of the act, which currently requires that cost/benefit analyses be conducted for water projects in accordance with the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973. The amendment refers, instead, to principles, standards and procedures established pursuant to the underlying statute, the Water Resources Planning Act, and makes applicable the recently approved Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies to AID activities.

Section 704: Eligibility of the People's Republic of China for assistance

Section 704 adds a new Section 620(y) to the Foreign Assistance Act. It is similar to an amendment adopted last year by the Committee. It would allow the President to authorize the furnishing of foreign assistance to the People's Republic of China (and Tibet) provided the President certifies to the Congress that extending eligibility for such assistance is important to the security of the United States. This provision authorizes the President to override the prohibition against foreign assistance to China (and Tibet) contained in Section 620(f). The Committee amendment substituted for an Administration proposal which would have struck the People's Republic of China and Tibet from the list of prohibited nations. The Committee, in making this change, recognizes that the People's Republic of China, although it has a communist form of government, is a non-allied nation which plays a helpful strategic role.

During consideration of the Committee amendment, Senator Helms offered an amendment which would have required certification from the President on a number of additional matters including the President's determination that the PRC is making a concerted effort to comply with internationally recognized human rights, including the right to life, the right to refuse abortion, and the right to free exercise of religion. The Helms amendment also listed PRC progress in preventing indiscriminate torture and murder, and essential social, economic, and political reforms including the holding of free elections as matters requiring Presidential determination. Chairman Percy requested and the administration agreed to make a complete and extensive review of the human rights situation in China in its 1984 human rights report to the Congress. With that pledge from the Administration, the Committee rejected the Helms amendment on a vote of one to ten.

The Committee had earlier received assurances in a letter, dated May 13, 1982, signed by Assistant Secretary of State Powell A. Moore, that no military assistance program is being contemplated for China. The letter further stated that if, in the future, the initiation of military assistance is contemplated, the Senate Foreign Relations Committee will be consulted and the Administration will proceed through the normal statutory process before funds can be expended. The Committee has been further assured that the Administration does not contemplate using reprogramming authority to provide military aid to China. It is the Committee's understanding, based on these assurances, that further congressional action is required beyond that taken in this legislation for China to become a recipient of U.S. military aid. The Committee's action is based on these assurances which were repeated during testimony this year. The text of the Committee letter requesting assurances on military aid and the Administration's response are as follows:

In including Tibet in this amendment, the Committee is simply making a technical adjustment to conform with current law.

U.S. Senate,
Committee on Foreign Relations,
Washington, D.C., May 3, 1982.

Hon. Alexander Haig, Jr.,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: We are writing in regard to the Administration's request that China be made eligible for foreign assistance. As you know, the Administration has proposed changes in the foreign assistance legislation to achieve this purpose.

Our understanding is that the Administration plans no bilateral assistance programs, Public Law 480 programs, or military assistance programs to China at this time, although the Administration would like to invite China to participate in several exchange and multilateral technical assistance programs proscribed by current law.

In principle, we do not object to the Administration's plans. But there are some concerns about the extensiveness of future programs to China and their effect on other ongoing assistance programs in an increasingly austere aid budget. We also have reservations about extending military assistance to China.

Bilateral assistance programs, as well as military assistance, for China would have to be considered by Congress through the normal authorization and appropriations processes. On the issue of military assistance, we would like assurance that the Administration will not use reprogramming authority to provide military assistance to China without first going through the normal authorization and appropriations processes, thus requiring further Congressional action beyond that taken this year.

Sincerely,

CHARLES H. PERCY,
Chairman.

S. I. HAYAKAWA,
Chairman, Subcommittee on East Asian and Pacific Affairs.

CLAIBORNE PELL,
Ranking Minority Member.

JOHN GLENN,
Ranking Minority Member, Subcommittee on East Asian and Pacific Affairs.

DEPARTMENT OF STATE,
Washington, D.C., May 13, 1982.

Hon. CHARLES H. PERCY,
Chairman, Senate Foreign Relations Committee.

DEAR MR. CHAIRMAN: I have been asked to respond to the letter which you and Senators Hayakawa, Pell, and Glenn sent to Secretary Haig on May 3 concerning China and amendments to the existing legislation on foreign assistance. I wish to reaffirm the assurances given your Committee on April 26 in testimony by Acting Assistant Secretary for East Asian and Pacific Affairs Thomas P. Shoesmith and to assure members of your Committee that no military assistance program is being contemplated for China.

Let me emphasize that the Administration's proposal to make China eligible for foreign assistance and Public Law 480 should in no way be construed as a request for the authorization or appropriation of funds. The request has no budgetary impact and is not designed to provide military assistance to China.

Rather, our intent was to remove outdated prohibitions which are inconsistent with our foreign policy and with our treatment of China as a friendly, non-allied country with which we share important strategic interests. The Administration has no present intention of proposing a Public Law 480 program, or an economic or military assistance program for China. If the prohibition on assistance is eliminated, however, we do intend to consider Chinese participation in certain on-going technical assistance programs for which funding is already available. We have already provided your Committee a paper describing the types of programs in which China might participate.

If, in the future, we should contemplate initiating assistance programs for China, we would at that time consult with the appropriate Committees of the Congress. Following such consultations, it would of course be necessary to proceed through the normal statutory process before funds could be expended.

With respect to your question on reprogramming, you can be assured that the Administration does not contemplate using the reprogramming authority to provide military assistance to China. If, at a future date, we propose to initiate military assistance to China, we would provide the details of such assistance in connection with our request for the authorization of foreign assistance funds for that year. The Congressional action we are requesting at this time is designed only to establish treatment for China consistent with our treatment of other friendly, non-allied nations.

I trust this letter responds to the concerns raised by you and your colleagues.

With cordial regards,

Sincerely,

POWELL A. MOORE,
Assistant Secretary for Congressional Relations.

The Committee also received the following assurances from the Secretary of State.

THE SECRETARY OF STATE,
Washington, D.C.. April 23, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to you to underscore the importance I attach to removing China from the list of countries ineligible to receive foreign assistance under the Foreign Assistance Act. This directly concerns your consideration of Foreign assistance legislation in the current year.

A longstanding objective of the Reagan Administration has been to obtain amendment of legislation which discriminates against China or describes it as part of the Soviet Bloc. The language of some of our laws dates from the days of the Cold War and the Korean War when China was correctly perceived as hostile to the U.S. and as a close ally of the Soviet Union. This perception is no longer valid and the pertinent legislation is inconsistent with our policy of treating China as a friendly, non-allied country.

In seeking this amendment to our foreign assistance legislation, I would like to make two points. First, it is not our intention to provide foreign assistance to China in the foreseeable future. It is the negative symbolism embodied in the legislative stricture that we wish to remove. Second, the fact that we have differences with China on various issues and that Chinese commentary is sometimes strident, or even vituperative, does not alter the basic objectives of our China policy. What we seek over time is a healthy relationship based upon equality and mutual respect. The elimination of legislative impediments, while not guaranteeing such an outcome, would greatly facilitate it. Unless we put aside past differences, it will be difficult for us to address the current ones. Representatives of the Department will be happy to discuss this with members of your staff at any time.

Sincerely yours,

GEORGE P. SHULTZ.

Section 705: International copyright protection

Section 705 was introduced by Senator Percy and adopted by the Committee in response to the actions of the Jamaican Broadcasting Corporation, a government-owned monopoly, as well as private parties in other countries which are intercepting pay-T.V. signals carried by American domestic satellites and rebroadcasting motion pictures and other audiovisual programs without the authorization of the American copyright owners. Motion pictures and other copyrighted audiovisual programs are important American trade assets and this practice violates the International Telecommunications Convention and the related Radio Regulations.

The Committee takes note of a recent decision by the FCC which conditionally authorized the use of domestic satellites for the retransmission to certain foreign countries of broadcast signals intended for the general public in America. The committee notes, in addition, that the FCC authorization was given without prejudicing the rights of American copyright owners and that such authorization is conditioned upon diplomatic consultations by the Department of State. The Committee expects that the Department will endeavor to obtain assurances from the foreign countries concerned that they will negotiate the appropriate measures with the American copyright owners. However, the FCC has never authorized the interception or rebroadcasting of pay-T.V. signals by anyone in the United States or abroad. Such practices amount to theft of American motion pictures and must be stopped.

The Committee encourages the Jamaican Broadcasting Corporation to negotiate the purchase of films as they become available for T.V. through normal commercial channels. The Committee urges the Administration to use this amendment to initiate negotiations with Jamaica.

The following letter to Chairman Percy from David Ladd, Register of Copyrights, provides additional details relating to this section.

LIBRARY OF CONGRESS,
Washington, D.C., May 11, 1983.

Hon. CHARLES H. PERCY,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PERCY: I have just learned that you are considering an amendment to the Foreign Assistance Act of 1961 in the Senate, identical to that proposed by Representative Michael D. Barnes, conderning copyright protection in foreign countries for works of United States nationals. This proposal addresses, among other things, the problem in conncetion withthe unauthorized foreign broadcast of copyrighted motion pictures, sports events, and other television programming received through the interception of satellite signals.

The purpose of this letter is to express our view that this problem is serious; to encourage the Congress to deal with it, and promptly (although, of course, we defer to the Congress and the Department of State in integrating the solution with the broad national trade and foreign policy objectives, as well as our copyright treaty obligations); to identify other present legislative initiatives bearing on the copyright problem; and to offer you any assistance which the Copyright Office might give. We do believe the problem to be urgent: if the U.S. government does not act firmly in the face of unacceptable foreign practices with respect to program-carrying satellite signals we may encourge foreign countries to continue and, indeed, "legalize" the systematic appropriation of our nationals' property.

In particular, unauthorized interception and distribution of American programming transmitted via satellite in the Caribbean Basin and in Central America have occurred and are spreading. The copyright laws of many countries in this region do not specifically address the liability of various distribution services for unauthorized transmission of copyrighted broadcast programming. In most instances there, even where the national copyright statutes apapear to accord broad public performance rights in broadcast materials, the law in not so developed or clear in application as to settle the question of the applicability of these rights to satellite signals. The copyright laws of many countries in the Western Hemisphere have not been revised in many years; some pre-date the advent of commercial broadcasting. In any event, the development of modern law in this area cannot be effected through country-by-country private litigation.

Further, developments in several countries, notably Jamaica, concerning the interception and uses of copyrighted broadcast materials cast serious doubts over whether many of our neighbors, who are all net importers of American programming, will routinely accord protection to our programs delivered to them by satellite in the absence of a clear obligation to do so or our firm insistence that they must do so. Even where protection might be accorded, there is danger that it will be more formal than real.

Unchecked, these development have already put important American commercial interests at risk. If foreign broadcasters and other distribution services can take valuable copyrighted programs without authorization by the copyright owner and payment to the owner, it could mean significant injury for theatrical and conventional television markets in the affected countries as well as the United States. This is of partricular concern because of the growing importance of foreign revenues in relation to the domestic revenues for U.S. cinematic properties.

In addition to Representative Barnes' proposed amendment, other avenues are being explored to deal with similar international problems. For example, S. 544, the Caribbean Basin Initiative, contains provisions [Sections 102(b) and 102(c)(9)] which would prohibit a Caribbean nation from receiving trade benefits under this legislation unless the country accords our motion pictures and television programming appropriate protection. Similarly, the Trade Act of 1974 (19 U.S.C. 2111, et seq.) allows us to accord most-favored nation treatment only if our works are protected in accordance with the Universal Copyright Convention or on a reciprocal basis. Presently, the Senate has under consideration certain amendments to the Trade Act [S. 144] which would ensure the "continued expansion of reciprocal market opportunities in trade," including trade in services such as the copyright industries.

Another course under consideration is United States adherence to the Brussels Satellite Convention relating to the distribution of program-carrying signals transmitted by Subcommittee on Patents, Copyrights and Trademarks, chaired by Senator Charles McC. Mathias, Jr., intends to hold early hearings on the Convention and other issues concerning the treatment by foreign countries of copyrights owned by United States nationals.

The Copyright Office views with growing concern the numerous developments which have led to the unauthorized and uncompensated use in foreign countries of United States copyrighted properties. We applaud the initiatives in the Congress promptly to deal with the problem, and thereby insure that these properties are adequately protected.

If the Copyright Office can be of service, please let us know.

Yours truly,

DAVID LADD,
Register of Copyrights.

Section 706: Reprogramming notification

Section 706 was introduced by Senator Percy and assures that the Foreign Relations Committee by law receives all the relevant reprogramming notifications for programs in the International Affairs Budget Function.

Section 707: Provisions on uses of fund

Section 707 amends Section 636 of the Foreign Assistance Act.

Subsection (a) makes a technical change to section 636(a)(14) by inserting reference to the Foreign Service Act of 1980 in place of the Foreign Service Act of 1946.

Subsection (b) amends section 636(c) of the act by eliminating the $3,000,000 ceiling on the use of funds to construct or acquire essential living quarters, office space, schools and hospitals for U.S. Government personnel posted outside the United States conducting activities authorized by the Act. It is often more economical to purchase or construct living quarters rather than to lease them. The present ceiling no longer provides sufficient flexibility to the Administration to take advantage of these economies.

Subsection (c) amends section 636(d) of the act by raising the ceiling on the use of funds for supporting schools for dependents outside the United States from $2.5 million to $5.0 million. The $2.5 million limitation has been in effect since 1969. Inflation has greatly reduced the purchasing power of that amount while the number of schools being supported has increased from 43 to 57. The present ceiling is no longer sufficient to provide adequate support to overseas schools.

Section 708: Notification of program changes

Section 708(a) amends Section 634A of the Foreign Assistance Act to establish a threshold of $50,000 on reprogramming notices to the Congress for International Narcotics Control and IMET programs. Had such a threshold been in effect during fiscal year 1981, sixteen of thirty IMET reprogramming notices would not have been required under section 634A. Eliminating small programming changes for reprogramming requirements would permit prompt execution of small but politically sensitive training programs and would provide a fast reaction capability against illicit narcotics efforts. Reprogramming notices to the Congress would still be required for countries for which a program had not previously been justified to the Congress for that fiscal year, even if the amount to be provided to such country would fall below the $50,000 threshold.

Section 708(b) makes funds appropriated to carry out the provisions of the Arms Export Control Act subject to the reprogramming requirements of section 634A and the reporting requirements of section 653(a) of the FAA. This section also deletes certain reporting requirements for FMS financing which would be redundant in light of this amendment to sections 634A and 653(a). In addition, this section deletes the requirement that a section 653(b) report be filed in certain cases before assistance is provided. These changes streamline and make standard various overlapping report and reprogramming requirements, but do not materially change the type of information provided to the Congress.

Section 709: Trade and development program

	Millions
Fiscal year 1983 authorization	$6.9
Fiscal year 1983 continuing resolution level	10.5
Fiscal year 1984 request	22.0
Fiscal year 1984 recommendation	21.0

This Section amends section 661 of the Foreign Assistance Act to authorize appropriations of $21,000,000 for TDP for fiscal year 1984, a $1 million reduction in the President's request.

The Committee believes that this proposed doubling of the TDP program is warranted by its proven track record in increasing the opportunity of U.S. business participation in overseas economic development activities, by providing assistance to U.S. firms for the initial feasibility work on such activities, TDP has enabled numerous U.S. firms to compete with foreign companies and to obtain "big ticket" follow-on contracts. It is estimated that every dollar authorized and appropriated for TDP returns $50 in business to U.S. enterprises. This healthy return on our investment translates into increased profits and jobs. An important factor in the success of TDP has been its relative freedom from the bureaucratic constraints found in other U.S. Government programs, demonstrated by the relatively low percentage of its budget attributed to administrative support. The Committee believes that this kind of freedom is a positive element that should continue to be encouraged.

The Committee does however encourage TDP to review its current practices with respect to the possibility of increasing its flexibility in supporting proposals where use of competitive bidding would be to the disadvantage of U.S. competition for important project or sector opportunities. The Committee has received from a variety of industries statements indicating a desire to have TDP support unsolicited proposals in selected situations of special advantage to the U.S., and is advised that such flexibility is already available to TDP within current procurement regulations.

Over the next twelve months the Committee intends to study the views of industries having the greatest interest in TDP support and of officials most actively involved in the use of TDP capabilities for promotion of U.S. exports, in order to consider ways the effectiveness of this important program might be improved even further. In particular the Committee will be interested in considering the capability of current staff to administer effectively further increases in funding in light of the three-fold expansion over three years without an increase in staff. Another key point of interest will be possible procedural improvements to permit greater responsiveness to the opportunities of greatest leverage for increasing returns from follow-on business made possible by TDP grants.

Section 710: International Coast Guard training

This section, initiated by Senator Pell, would make a specific and narrow exception to Section 660 of the Foreign Assistance Act, which generally prohibits police training or surveillance training for foreign governments. When enacted, Section 660 was intended to prevent any U.S. assistance for foreign police forces or other law enforcement forces which might be employed to carry out the repressive measures of foreign governments. In its current form, however, that section also has the effect of preventing the U.S. Coast Guard from providing any training in maritime law enforcement for foreign governments. This means that the U.S. Government is now prevented from helping other countries to enhance their port security, increase boating safety, or curb incidents of drug smuggling and violations of fisheries agreements. The Committee concluded that such assistance activities are non-political and non-controversial and would in fact aid the process of international law enforcement on the high seas, which is the fundamental responsibility of the U.S. Coast Guard. Accordingly, this section would allow the U.S. to provide assistance or training in these important maritime law enforcement functions where the Administration finds it appropriate to do so. This amendment does not restrict the ability to provide defense articles, defense services, or training for foreign coast guards in appropriate circumstances.

Section 711: Operating expenses

	Millions
Fiscal year 1983 authorization	$335.6
Fiscal year 1983 continuing resolution level	343.1
Fiscal year 1984 request	378.5
Fiscal year 1984 recommendation	366.7

This section authorizes the appropriation of $366,700,000 for AID's operating expenses for fiscal year 1984, a reduction of $11.8 million from the amount requested by the Administration.

The Committee is sympathetic with the Administration's request. Expanding ESF, Public Law 480 and Development Assistance programs all of which are managed as A.I.D. coupled with high overseas inflation rates and security needs justify increased operating expenses. The Committee is particularly impressed with AID's efforts to increase authority of its field missions to review and approve projects, increase the average length of tours of its employees overseas, and other efforts to hold down costs. However, given the need for fiscal restraint, the Committee has held the operating expense increase to a 6 percent growth above the continuing resolution level.

Section 712: African Development Foundation

Section 712 provides $3 million for the African Development Foundation. The Foundation will support self-help activities at the local level which are designed to enlarge opportunities for community development. Its purpose and structure have been likened to the Inter-American Foundation. To the maximum extent possible, the Foundation's activities are to be coordinated with those of the U.S. Government's and private, regional, and international organizations.

Section 713. Inter-American Foundation

	Millions
Fiscal year 1983 authorization	$12.8
Fiscal year 1983 continuing resolution level	12.0
Fiscal year 1984 request	10.7
Fiscal year 1984 recommendation	12.0

This section authorizes the appropriation of the same current dollar value of funding for the Inter-American Foundation as has been available to that organization for the past several years.

Section 714. Amendment to the Peace Corps Act

	Millions
Fiscal year 1983 authorization	$105.0
Fiscal year 1983 continuing resolution level	109.0
Fiscal year 1984 request	108.5
Fiscal year 1984 recommendation	113.5

This section amends Section 3(b) of the Peace Corps Act to authorize the appropriation of $113.5 million for the Peace Corps program in fiscal year 1984.

The Committee notes with concern the continuing deterioration of the Peace Corps Budget. Measured in constant dollars, the Peace Corps budget has steadily declined over the past 15 years and is currently only one third the size of the 1966 budget. The 4,542 Peace Corps Volunteers who served abroad last year are one third of the number of volunteers who served in 1966 when 15,556 volunteers went overseas. West Germany, a nation with a population one-third of ours, maintains 4,300 volunteers overseas in the German Development Service program—a program that was framed on the Peace Corps model. Today the West German program is virtually the same size as our Peace Corps, because it maintained its commitment while we have let our lapse.

The President's fiscal year 1984 budget request assumes a further 15 percent reduction in the number of new volunteers (down from 2,950 to 2,502) below the fiscal year 1983 levels. Roughly every $20,000 increase products 1 new volunteer for the program, recruited and placed overseas. Thus a $5 million increase would yield at least 250 new volunteers. With economies of scale, and some other minor cost savings within the overall budget, it is reasonable to expect that a total of 300 new volunteers (above the planned 2502) could be provided for fiscal year 1984. The Committee continues to believe that no other foreign assistance program can reap the goodwill that the Peace Corps program has harvested for the United States. Some 90,000 former volunteers, and millions of people in the third world have benefited from the Peace Corps program—which continues to maintain its high approval rating among the American public.

Section 715: Participant trainee grants

This section amends section 1441(c)(6) of the Internal Revenue Code to exempt from withholding amounts received as scholarships by non-residents engaged in training programs in the United States financed under the Foreign Assistance Act. Section 1441(c)(6) currently exempts only per diem. Withholding for each participant trainee would result in high administrative costs to contractors and private and voluntary organizations that implement training programs. These cost would ultimately be passed on to AID and reduce the amount of funds actually available for the training programs themselves. This provision is intended to correct these problems.

Section 716: Limitation on assistance to El Salvador

Section 716 was introduced by Senator Kassenbaum to place limits on the total amounts of military assistance that may be made available to El Salvador in fiscal years 1983 and 1984; to limit use of emergency authorizations to provide other military assistance; and to formalize ceilings on the number of U.S. military personnel that may be in El Salvador at any given time. In addition, the section establishes that it is the policy of the United States to support peaceful resolution to the conflict in El Salvador and evolution of democratic government, which goals may be furthered by encouraging unconditional dialogue among all parties to the conflict in El Salvador. The section also states that U.S. policy shall be to use the good offices of the United States Government to encourage regional peace efforts.

Section 716(a)(1) provides that in fiscal year 1983 no more than $76.3 million in funds may be made available to El Salvador for grant military assistance, IMET, or for FMS financing under the Arms Export Control Act. Of the total $76.3 million, not less than $20 million may be used only for military training in the United States. Section 71(a)(2) authorizes no more than $76.3 million to be made available for El Salvador in fiscal year 1984 for purposes of grant military assisntance, IMET or for purposes of the Arms Export Control Act. Of the total authorized, no less than $20 million may be used only for providing out-of-country military training in the United States.

Section 716(a)(3) stipulates that the authority of Section 506 of the Foreign Assistance Act (emergency drawdown authority) and Chapter 6 of the Arms Export Control Act (leasing authority) may not be used for El Salvador in fiscal years 1983 and 1984. Moreover, Section 614 of the Foreign Assistance Act (extraordinary authority) may be exercised only for reprogramming of funds for El Salvador

Section 716(a)(4) establishes that no more than $140 million in Economic Support Funds may be available for El Salvador in fiscal year 1983, and no more than $120 million in Economic Support Funds may be made available in fiscal year 1984. Twenty-five percent of these funds are to be made available only for purposes of implementing the Salvadoran economic reform program.

Section 716(a)(5) stipulates that the number of U.S. military trainers or advisors in El Salvador at any one time may not exceed 55 during fiscal year 1983 and 1984.

Section 716(b) establishes that it is the policy of the United States to encourage peaceful resolution to the Salvadoran conflict and to support the evolution of democratic forms of government in that country. To achieve these goals, the United States should use its good offices to encourage unconditional dialogue among all parties to the conflict in El Salvador.

Section 716(c) extablishes that the United States recognizes the Salvadoran conflict to be an element of regional problem and that the conflict could spread throughout the region because of underlying social, economic and political conditions in the region. Resolution of the regional tensions requires cooperative regional actions. The United States is prepared to offer its good offices and resources to aid regional efforts to initiate dialogue in El Salvador and reduce regional tensions, and furthermore, the United States should offer its good offices to encourage governments of the region to provide substantial emergency assistance to the displaced people in the region.

The section represents a bipartisan compromise, worked out over several weeks of discussion, that reflects Members' concerns over the levels of funding, especially military assistance funding being provided to El Salvador, the relative emphasis on military versus political solutions to the Salvadoran conflict, and the overall direction of events in the Central American region.

The Committee initially considered an amendment proposed by Senator Lugar that would have authorized the full amount of funds requested for El Salvador for fiscal years 1983 and 1984, that is: a total of $136.3 million in total military assistance for fiscal year 1983 and $86.3 million in total miliitary assistance for fiscal year 1984, and a total of $140 million in Economic Support Funds for fiscal year 1983 and $120 million for fiscal year 1984. That amendment failed by a vote of 6 to 11.

The compromise adopted by unanimous vote, 17–0, of the Committee represents the Committee's understanding that substantial economic assistance is necessary for support and reconstruction of the Salvadoran economy and that military assistance is necessary to support the Salvadoran armed forces and to provide for their training. With respect to training, however, the Committee was persuaded that out-of-country training had proved more effective than training in El Salvador and would minimize the possibility of direct U.S. military involvement in the conflict. Accordingly, the Committee authorized no less than $20 million of military assistance to be provided for training only in the United States. The Committee also believed it important to specify that out-of-country training take place only in the United States in order not to embroil other countries in the region in the Salvadoran conflict. In making this provision, the Committee recognized that training in the United States, is substantially more expensive than training in El Salvador. in earmarking $20 million for training in the United States, the Committee used permissive language. This language was made permissive to give the Administration the option not to use the funds authorized. However, it should not be construed that this funding can be used for any other purpose. The Committee felt strongly that making available very large sums of military assistance for El Salvador would not sufficiently encourage a peaceful resolution of the conflict in the country. Therefore a ceiling of $76.3 million for military assistance and training for fiscal years 1983 and 1984 was set. This figure is $10 million below the Administration request for fiscal year 1984, and $60 million less than the full amounts of reprogramming and supplemental authorization funding requested by the Administration for fiscal year 1983 for El Salvador.

This reduction was consistent with an earlier Committee position on the Administration request for reprogramming of $60 million in Foreign Military Sales funds from authority made available in the fiscal year 1983 Continuing Resolution. At the time of that request, 12 Members of the Committee expressed their opinion that no more than $30 million additional funding should be made available for El Salvador in fiscal year 1983. That $30 million was incorporated in the $76.3 million ceiling in the Kassebaum amendment. The Committee's positon ws reflected in the following letter addressed to the Secretary of State.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., March 24, 1983.

Hon. GEORGE P. SHULTZ,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: The Senate Foreign Relations Committee is currently reviewing the United States policy in El Salvador in the context of its consideration of the annual foreign assistance authorization legislation. In view of the fact that the Committee has not completed its consideration of this legislation, the Committee wishes to register its objection to the reprogramming of the full amount of security assistance proposed by the Administration for El Salvador in fiscal year 1983. While many Members would prefer that no reprogramming take place, and others would support the full reprogramming request the clear Committee consensus is not to object to reprogramming $30 million FMS credits. In addition, the Committee believes that the level of ESF assistance in fiscal year 1983 should not exeed the fiscal year 1982 level of $115 million.

It is the opinion of the Committee that in the absence of extraordinary circumstances, future requests for assistance for El Salvador shall be presented to the Congress for legislative approval without the use of extraordinary authorities.

The Committee believes that the policy of the United States should be to encourage a peaceful resolution to the conflict in El Salvador and to support the evolution of democratic forms of government in that country. The Committee further believes that the United States should use its good offices to encourage an unconditional dialogue among all parties to the conflict in El Salvador in the hope of achieving a political resolution.

The Committee also believes that the number of United States military trainers and advisers in El Salvador should be limited to no more than 55, and that those personnel should be subject to current operational restrictions and rules of engagement. Moreover, the Committee believes that any additional training to be provided by these or other funds for the Salvadoran military in fiscal year 1983 should be limited strictly to training at facilities in the United States.

In addition, the Committee firmly believes that an essential element of continued United States support for the Government of El Salvador must be prompt and far-reaching reforms of the judiciary in El Salvador which will serve to remove corruption, political interference and intimidation from the judicial process. Moreover, the Salvadoran Government must give the highest priority to the prosecution of those responsible for the murders of the eight Americans assassinated in El Salvador since December 1980.

The Committee takes this action on the March 10, 1983 reprogramming requests without prejudice to its subsequent consideration of pending fiscal year 1983 supplemental and fiscal year 1984 authorization legislation.

The Committee would appreciate your comments on the recommendations in this letter prior to the Committee's mark-up on the fiscal year 1983 supplemental request. We would, furthermore, look forward to your assurance that there will be full consultation with this Committee as we move toward our commonly held goals to achieve peace and progress for the people of El Salvador.

Sincerely,

Charles H. Percy.
Claiborne Pell.
Joe Biden.
John Glenn.
Edward Zorinsky.
Paul Sarbanes.
Nancy Landon Kassebaum.
Christopher J. Dodd.
Charles McC. Mathias, Jr.
Alan Cranston.
Paul Tsongas.
Also signed by Senator Murkowski.

Senator Kassebaum's proposal and an earlier version proposed by Senators Kassebaum, Dodd and Inouye prohibited exercise of Section 506 and Section 614 of the Foreign Assistance Act and Chapter 6 of the Arms Export Control Act for El Salvador for fiscal years 1983 and 1984.

The Committee agreed that the emergency drawdown authority must not be exercised and prohibited the use of Section 506 of the Foreign Assistance Act, which otherwise provides for drawdown of funds in the event of unforeseen emergency, and of Chapter 6 of the Arms Export Control Act, which waives the 30-day notification requirement for leasing of defense articles in the event of emergency. In an earlier version of the amendment, the authority of Section 614 of the Foreign Assistance Act, which permits the waiver of earmarks and other limitations in the event of emergency need for funds, was also prohibited. Senator Kassebaum proposed that Section 614 authorities be left available only for reprogramming. This provision would thus provide for a certain amount of flexibility in dealing with emergency situations. Such reprogramming, however, must be done in strict compliance with the "Buckley letter," which accords the Foreign Relations Committee the same oversight prerogatives as those accorded the Appropriations Committees when considering reprogramming requests. The text of the "Buckley letter" follows:

UNDER SECRETARY OF STATE FOR
SECURITY ASSISTANCE, SCIENCE AND TECHNOLOGY,
Washington, D.C., May 13, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to convey the position of the Department of State with respect to expressions of concern that may be raised by the Committee in connection with proposed reprogramming actions notified to the Congress pursuant to section 634A of the Foreign Assistance Act of 1961, as amended, and involving programs for which the Secretary of State exercises policy responsibility.

In this regard, I can assure you and members of the Committee that we will give full consideration and great weight to the views of the Committee, in particular to any objections to the proposed action. We will make every effort to resolve differences before proceeding. I can further assure you that the Department will accord expressions of concern from the Committee on Foreign Relations the same degree of attention and seriousness as those from the Committee on Appropriations.

Sincerely yours,

JAMES L. BUCKLEY.

The Committee recognized that the Administration had observed a self-imposed ceiling of 55 U.S. military trainers and advisors in El Salvador since early 1981, following informal agreement with the Committee at that time. The Committee's decision to stipulate that ceiling in law reflected its concern that increasing levels of military assistance for El Salvador should not entail increasing numbers of American personnel that could become involved in the Salvadoran conflict. Members felt strongly that the planning and conduct of the military effort must remain a Salvadoran responsibility. Therefore, it was appropriate to limit the number of U.S. military personnel in El Salvador and to conduct as much of the training of Salvadoran forces out-of-country as possible.

With respect to Economic Support Fund assistance for El Salvador, the Committee recognized that substantial short-term emergency economic assistance was needed to maintain levels of economic activities in the country and to engage in reconstruction of roads, bridges, power plants and factories destroyed. $115 million in funds had previously been allocated for fiscal year 1983, and the Administration had indicated its intention to reprogram an additional $25 million in Economic Support Funds for fiscal year 1983 as well as to request $120 million for fiscal year 1984. The Committee proposal accepted the Administration's proposed levels of $140 million in fiscal year 1983 and $120 million in fiscal year 1984. Senator Kassebaum accepted an amendment from Senator Dodd that "Notwithstanding any other provision of law, not less than 25 percent of the local currency generated from these amounts shall be available only for the implementation of the Salvadoran economic reform program." It was understood that "economic reform" would be broadly interpreted to include all phases of the land reform program and activities relating to the effective implementation of it, and that the funds available for support of the economic reforms would be counterpart Salvadoran currencies generated with the Economic Support Funds.

Policy issues entailed in Sections (b) and (c) of Section *716* had been discussed earlier in lengthy Committee debate on the Administration request for reprogramming of $60 million in foreign military sales. At that time, the Committee had carefully worked out language that communicated Members' concern that no channels that could lead to political reconciliation in El Salvador be foreclosed. The language communicated to the Secretary of State in the Committee's letter on reprogramming stated clearly that the signatories believed that U.S. policy in El Salvador should be to support the evolution of democratic forms of government and to encourage peaceful resolution to the Salvadoran conflict.

The Committee was cognizant of the different positions argued by government and opposition elements in El Salvador with respect to dialogue and negotiations. It recognized that the Salvadoran Government had indicated its openness to dialogue with the opposition for the purposes of bringing opposition elements into the electoral process. In contrast, opposition elements offered unconditional dialogue, but rejected dialogue that only envisioned discussions of the electoral process.

It was the Committee's expressed hope that the good offices of the United States might be used effectively to bridge these seemingly mutually exclusive positions and thus promote a peaceful political solution to the Salvadoran situation. Senator Kassebaum's compromise incorporated in full the policy language agreed upon earlier which expressed the strong sentiment of the Committee that preconditions to the dialogue in El Salvador hinder its initiation. Therefore, the amendment "encouraged an unconditional dialogue among all the parties to the conflict in El Salvador. . . ."

Section 717: Violence in El Salvador

Section 717 was introduced by Senator Glenn and conditions U.S. military assistance to El Salvador on a detailed report describing plans by the Salvadoran Government to begin eradicating terrorism of the ultraright. It requires that military assistance funds authorized to be appropriated for El Salvador for fiscal year 1984 and 1985 may be obligated only if the President has submitted a report fully describing the Salvadoran Government plans for dealing with death squads and lack of adequate judicial process in El Salvador.

Section 717(a) conditions (a) provision of military assistance, including IMET funds, (b) issuance of letters of offer or extensions of credits and guarantees under the Arms Export Control Act, or (c) assignment of U.S. armed forces personnel to El Salvador, on receipt of a report detailing Salvadoran Government plans for and milestones of progress in addressing specific goals related to control of death squads.

Section 717(b) details five special objectives to be addressed in the Salvadoran plans. These objectives are (1) establishing effective government control over the military, security and police forces; (2) disarming private armies and paramilitary groups operating in government-controlled areas; (3) bringing about cessation of "death squads" and terrorist activities; (4) establishing an effective judicial system; and (5) bringing to trial persons responsible for indiscriminate violence, detention, abduction, torture and murder.

Section 717(c) requires that progress reports be sumbitted at six-month intervals on the effectiveness of steps taken and modifications made in the Salvadoran Government's plans.

Section 717 represents the Committee's bipartisan view that if necessary steps are not taken in El Salvador to bring right-wing violence and terrorism under control, then support for military assistance for the country will not be forthcoming in the future. Members recognized that violence occurred from both the left and the right and expressed concern that reporting consistently attributed a majority of civilian deaths in El Salvador to elements of extreme rightist groups and indiscriminate actions of security forces, which undermine public support for the government.

The Committee believed that the goals expressed in the amendment were also consistent with Administration objectives in El Salvador.

Section 718: Extension of El Salvador certification

Senator Percy introduced Section 718 to extend the current requirement for Presidential certification on El Salvador through fiscal year 1984. The amendment extends present law requiring as a condition of continued U.S. assistance to El Salvador certification at 180-day intervals that the Government of El Salvador is making progress in observance of human rights, gaining control over its armed forces, implementing economic and social reforms and planning for elections. Senator Percy's amendment makes two modifications in existing law:

In subsection (d)(1) of Section 728, the certification requirement that the Government of El Salvador is making progress in internationally respected human rights is extended to read "and to this end has taken concrete steps to strengthen its judicial system and to insure the independence and integrity of that system."

Subsection (e) of the original law is substituted by a new section that requires certification of progress in the investigation and bringing to justice of individuals responsible for the murder of American citizens. The original section, as amended, required such a certification only for the first two reports.

Section 719: Certification requirement and report relating to El Salvador

Section 719(a), proposed by Senator Helms, amends Section 728(d)(3) of the International Security and Development Cooperation Act of 1981. It augments the existing certification language, which requires "continued progress in implementing essential economic and political reforms, including the land reform program," to include expressly the "desirability of private-sector, free-market structures in the economy." This clarifies the ultimate goals of U.S. aid to the reform process.

Section 719(b), also introduced by Senator Helms, requires the President to "take into account violations of human rights perpetrated by the terrorist forces" in reaching a determination of the human rights record of the Government of El Salvador in future certification reports. Past certifications have focused on the human rights record of the Salvadoran Government and its security forces; the proposed amendment takes into account the effect of the systematic violence by leftist terrorists on the Salvadoran Government. The proposed section allows the President and the Department of State to weigh both sides of the issue and to expand the range of their analysis to include the violence by the left in a more systematic way in their assessment of the situation in El Salvador.

It is the intention of the Committee that the report required by this section shall be transmitted separately from the certification required by Section 728 of Public Law 97-113, but that the report shall be submitted at the same time that the certification is submitted.

Section 720: Director of the International Development Cooperation Agency

The Committee adopted Section 720, offered by Senator Pell and cosponsored by Senator Percy, the abolishes the International Development Cooperation Agency (IDCA) within sixty days after the enactment of this legislation, unless the President has nominated an individual to serve as the Director of that agency.

Two years ago the Committee adopted an amendment that, if enacted into law, would have abolished the International Development Cooperation Agency (IDCA). Since that time, the administration has effectively reduced IDCA to a coordinating secretariat within the Agency for International Development, with the AID Administrator serving also as the acting IDCA Director. The Committee is now satisfied that the function of IDCA is useful to our foreign assistance objectives because it provides one single locus within the executive branch through which various aspects of multilateral and bilateral economic efforts are coordinated.

The IDCA Director, for example, serves also as the principal advisor to the President and to the Secretary of State on international development policy. He is also the Chairman of the interagency Development Coordinating Committee (DCC). He is responsible for policy guidance to the U.S. Executive Directors to the MDB's on the banks' development policies and project portfolios. He serves as a member of the National Advisory Council on International Monetary and Financial Policies, and is the Chairman of the Board of the Overseas Private Investment Corporation (OPIC). These are important roles that need to be preserved. It is the Committee's strong view that they would be best preserved if the AID Administrator continued to wear the hat of the IDCA Director.

The amendment adopted by the Committee is simply designed to end an acting, temporary situation and to require the advice and consent of the full Senate on a formal nomination to this post. Two years without a formal nomination is long enough, and diminishes the important coordinating role that Mr. McPherson and his colleagues have fashioned for IDCA.

Finally, the Committee notes that given the IDCA Reorganization Plan's unambiguous statutory language and the clear legislative history that IDCA should operate separately from the Department of State, that the position of Director must be filled by an individual who does not simultaneously occupy a position in the Department.

Section 721: Reporting requirement on aid to Egypt

The Committee has reinstated the requirement for the President to report to the Congress on the status of the U.S. economic assistance program including legal and administrative provisions which may result in unnecessary delays in program implementation. This provision was adopted by the Committee and included in the International Security Enhancement Act of 1982 which was not enacted.

The Committee urges AID to take the initiative and promulgate procedures which will allow the Egyptian aid program to be implemented in a more expeditious and effective fashion. The Egyptian aid pipeline continues to grow and now is $2.7 billion. Inflexible funding and disbursing requirements for project aid are primary reasons for the delay. The Committee again would encourage AID to review its administrative, legal and other procedures which contribute to these unnecessary delays.

A major concern is the approximately $100 million which has been funded for projects which may have been worthy at the time they were planned but no longer are considered as important as more immediate projects. The Committee notes that the Administration has very recently requested deob-reob authority to address this issue.

Appropriate legislative action should be taken to redress this problem. Steps could be taken, for example, to provide reobligation authority. It is the Committee's feeling that a final agreement on this should be attained as soon as possible and certainly no later than the end of the year.

These and other steps should be taken to help support President Hosni Mubarak's publicly expressed determination to give high priority to dealing with Egypt's economic problems.

The Committee suggests that more priority be given to a prompt and thorough evaluation of the various suggestions to provide more flexibility in the Egyptian aid program. These include providing a portion of the ESF as cash grants for budget support, and implementation of present U.S.-Egyptian understandings that more aid be programmed through sectoral financing. There has been a great deal of discussion about making the aid program more effective and flexible, but little sign of tangible results.

It is obvious from the continued large size of the Egyptian aid pipeline, now up to $2.7 billion, that additional efforts are needed to remove the bottlenecks. Unless this is done soon, the political and developmental impact of the U.S. aid program in Egypt will continue to be reduced and our efforts may have gone for naught.

Section 722: Long-term agricultural commodity agreements

Section 722 was introduced by Senators Pressler and Percy and calls for exploration of possible long-term agricultural commodity export agreements. It requests a report from the President on the result of efforts to acheive such agreements by June 1, 1984.

In recent years foreign nations exporting agricultural commodities increasingly have used long-term trade agreements to market their products. The long-term agreement assures the exporting nation of a stable market for its products and assures the importing nation of a reliable supply of food. To date the United States has entered into only three long-term grain agreements—with the Soviet Union, China, and Mexico. A relatively small percentage of U.S. agricultural exports is marketed under these agreements.

As other agricultural exporting nations conclude long-term agreements and the world market for farm products becomes more competitive, the United States must make greater use of long-term trade agreements to protect and expand its share of world agricultural trade

Section 723: Food shortage in Ethiopia

The Committee adopted an amendment, offered by Senator Tsongas, that urges the administration to take every possible means to alleviate the suffering of hundreds of thousands of Ethiopians who have been affected by a devastating drought that has afflicted the four northern provinces of Wollo, Gondar, Eritrea and Tigre. The Catholic Relief Services (CRS), the primary distributor of American Public Law 480 food aid in Ethiopia, estimates that 400,000–600,000 Ethiopians are very seriously affected by the lack of food. CRS projects that the number will reach one million by July unless immediate assistance is provided. Ethiopia, like most African nations, has been suffering a decline in per capita food production. The current crisis exacerbates this situation.

The Committee notes that the United States has a humanitarian obligation to assist Ethiopia in this current crisis and, in the longer term, to continue to provide humanitarian aid through all available channels, including the Public Law 480 Food for Peace Program.

Section 724: Assistant Secretary for Political-military Affairs

Section 724 establishes in the Department of State an Assistant Secretary of State for Political-Military Affairs who is to be appointed by the President by and with the advice and consent of the Senate. The Assistant Secretary will assume responsibility for administration of the Bureau of Politico-Military Affairs which is adminstered at present by a Director who is not subject to confirmation and shall advise the Secretary of State on matters pertaining to political-military affiars.

A trend of concern to the Committee has been the increasing number of appointments in the foreign policy area which are neither statutory nor subject to confirmation by the Senate, but which have become increasingly influential. One of the most prominent of these positions is the State Department's Director of Politico-Military Affairs. The duties of the Director are formidable and include:

(1) serving as principal advisor in developing national security policy regarding U.S. military activities affecting foreign policy;

(2) offering policy advice, formulation and review and liaison with the Defense Department in such areas as politico-military aspects of arms control, nonproliferation and outer space.

(3) supervising the Office of Strategic Nuclear Policy and Theater Military Policy, Regional Security Affairs, Nuclear Policy and Operations, Security Assistance and Sales, as well as the Technology Transfer Assessment Staff.

Clearly, the Director of the P–M Bureau carries considerable authority within the Department of State acting as a principal advisor to the Under Secretary for Security Assistance and the Secretary of State on security assistance matters. The Director is responsible for a number of complex and cross-cutting policy areas which are a major interest and concern to the Committee on Foreign Relations and the Congress as a whole. Yet, although a major foreign policy appointment, the Director is not subject to confirmation by the Senate. A strong argument can be made that the Senate rightfully should have the authority to pass on the appropriateness of appointments to such a powerful position. By establishing an Assistant Secretary for Political-Military Affairs and making the post subject to confirmation, the Committee and the Senate will have the ability to weigh in on the wisdom of such appointments. It also creates the opportunity to receive testimony concerning a host of significant security assistance issues from one of the principal formulators of that policy with the United States Government.

A 1982 CRS study on "The Senate Role in Foreign Affairs Appointments" prepared for the Committee provides further support for the Committee's action in creating this specific Assistant Secretary post.

Section 725: Repeal of provisions

Section 725 repeals the following provisions of the Foreign Assistance Act of 1961 as amended:

Under Section 106: Energy, private voluntary organizations and selected development

Repeals: *Subsection 106(b)(1)(B)* which provided up to $7,000,000 for fiscal year 1981 funds under Section 106 for use in facilitating geological and geophysical survey work to locate and explore for potential oil, natural gas and coal reserves in n-OPEC countries.

Under Section 222A Agricultural and Productive Credit & Self-Help Community Development

Repeals: *Subsection 222A(f)* which permits the Overseas Private Investment Corporation to use Section 236 funds (income and revenues) to meet necessary administrative and operating expenses in carrying out the provisions of Section 222A through June 30, 1976.

Under Section 302: International organizations and programs: Authorization

Repeals: *Subsections 302(b)(1)* and *(b)(2)* which authorized appropriation of funds for loans and grants for use in fiscal years 1969, 1974, 1975 and 1976, to remain available until expended, for Indus Basin Development.

Subsection 302(i) which authorized appropriations for fiscal years 1976 and 1977 of funds for the International Atomic Energy Agency to be used for strengthening safeguards and inspections of nuclear missile facilities and materials.

Under Chapter 9: International disaster assistance

Repeals: *Section 495B.* Italy Relief and Rehabilitation, which authorized funds for fiscal years 1976, 1978 and 1981 for relief, rehabilitation and reconstruction assistance for victims of earthquakes, the amounts to remain available until expended.

Section 495E. Turkey Relief, Rehabilitation, and Reconstruction, which authorized the President to use up to $10,000,000 of funds authorized under Chapter 9 to provide relief, rehabilitation and reconstruction assistance to earthquake victims (1977, 1978).

Section 495G. Special Caribbean Hurricane Relief Assistance, which authorized appropriation in fiscal year 1980 of funds for disaster relief and reconstruction.

Under Chapter 10: Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence:

Repeals: *Section 496* which authorized fund appropriations for fiscal years 1974 and 1975 for economic assistance and development assistance for Chapter 1 and Chapter 9 purposes, to remain available until expended.

Section 497. Balance of Payment Loan for Portugal, which authorized balance of payments support loans to Portugal as part of a special international effort to assist its economic stability, recovery and development, and authorized appropriation of fiscal year 1978 funds to carry out the purposes of the section.

Section 726: Effective date

Section 726 provides an effective date for the Act of generally October 1, 1983. Titles I and VI, which contain fiscal year 1983 program authorizations, are effective upon enactment. Sections 203 and 213 would take effect on the later of the date of enactment of October 1, 1983, to allow adequate time to implement the change in pricing for training and to avoid the possibility that the change in penalties under the AECA would be retroactive.

ADDITIONAL VIEWS OF SENATOR CLAIBORNE PELL ON EL SALVADOR

It was with great reluctance that I cast my vote in support of the Kassebaum compromise language on El Salvador, principally because I do not believe that military assistance should be increased beyond the current level. Within the Committee, however, there was little support for the complete elimination of additional military assistance. Because of my dissatisfaction with the Committee action, I have joined Senator Hatfield as a sponsor of his measure which ties U.S. military assistance to the Salvadoran Government's participation in negotiations without preconditions. If the Government of El Salvador does not engage in negotiations, military assistance would be transferred to developmental and humanitarian accounts. This proposal will be offered on the floor of the Senate as an amendment to this bill and I intend to support it.

CLAIBORNE PELL.

ADDITIONAL VIEWS OF SENATOR ALAN CRANSTON ON MILITARY AID TO EL SALVADOR

I am opposed to any further unconditional U.S. military assistance to the government of El Salvador.

I do not believe it is in our national security interests to continue to send American taxpayer dollars to that government unless and until it offers to engage in a dialogue with opposition groups to provide free and fair elections in which all Salvadorans can participate with reasonable assurance of their physical security.

I also do not believe it is in our national interests to provide further U.S. military assistance to that government until greater progress is made to halt the involvement of its military forces in indiscriminate violence, to provide greater respect for human rights, to move forward with the land reform program and to establish a judicial system capable of bringing criminals to justice and providing some deterrent against random murder.

Because of these convictions, I voted against the motion made by Senator Lugar to provide full funding of President Reagan's request for military and economic aid to El Salvador. I subsequently voted for the Dodd-Kassebaum proposal to cut the President's request by a total of $70 million in fiscal years 1983 and 1984. However, as I indicated in the Foreign Relations Committee, I do not believe this proposal went far enough and only voted for it because it was the sole means of cutting President Reagan's exorbitant military funding request for El Salvador.

When the foreign assistance legislation comes before the full Senate, I will offer an amendment to ensure that senators have an opportunity to vote on this key question of whether or not the U.S. should continue to provide unconditional military assistance to El Salvador.

The guerrillas and other opposition forces in El Salvador have asserted their willingness to participate in negotiations. Many of us are skeptical regarding the willingness of some members of the divided Salvadoran opposition to discuss anything other than power-sharing under arrangements that would subvert a democratic electoral process. We should test the willingness of the opposition to pursue a negotiated cease-fire. We should test their sincerity and their willingness to pursue a democratic, non-military solution. We should put the ball in their court and see if they are able to produce a consensus in support of such a solution.

Key democracies in the region—Mexico, Venezuela and others—have pressed for negotiations. We should heed their concerns and press for a cease-fire under the supervision of appropriate organizations such as the Organization of American States.

The alternative is continued bloodshed, continued compromise of basic American principles and an increasing likelihood that the worst-case scenario of a communist takeover in El Salvador will come true.

It should be clear that Reagan Administration policies towards El Salvador are not working. For two years Congress has granted most of the Administration requests. Over $1 billion in U.S. taxpayers' dollars has been sent or is on request from the Reagan Administration for the civil war in El Salvador.

What are the results of this enormous infusion of guns and ammunition? More than 30,000 civilians have been killed in El Salvador, the majority of them by government security forces and assassination squads armed with American guns and bullets. We've already spent more than $140,000 for each of the estimated 7,000 reportedly flowing out of El Salvador faster than President Reagan can send them in—flowing to Miami real estate and to Swiss bank accounts.

I am convinced that the Administration's current course in El Salvador increases the chances for a takeover by pro-Marxist guerrillas hostile to American interests. The Administration remains committed to a course of unconditional support for the Salvadoran military, a course which ignores the words of President John Kennedy, who warned, "Those who make peaceful revolution impossible will make violent revolution inevitable."

For two years, the Catholic Church in El Salvador, along with the democratic governments of Mexico, Colombia, Venezuela and Panama have urged the United States to join in the effort to produce a negotiated cease-fire, secure elections and a just settlement to regional disputes. And for two years the Administration has resisted.

I have joined with members of the Foreign Relations Committee and others in Congress in the successful effort to enact the present limited certification requirements on aid to El Salvador. But these limited certification requirements have been circumvented by Orwellian reports by the Reagan Administration which have distorted the reality of the worsening situation in El Salvador. To achieve Congressional objectives, these certification requirements need greater specificity and need to condition any further military aid on an affirmative Congressional finding that an offer for unconditional negotiations has been made by the Salvadoran Government and that significant progress is being made on human rights as well as key judicial and land reforms.

I have joined with members of the Foreign Relations Committee to cut exorbitant Reagan Administration military aid requests. But the Administration keeps coming back for more funds: President Reagan has requested a four-fold increase in military aid for fiscal year 1983 even before the fiscal year was six months old.

So I believe it is now essential for Congress to draw the line against any further military aid to El Salvador without strict conditions regarding the pursuit of a negotiated settlement and human rights progress. This course holds the greatest promise for fulfilling the objectives supported by a bipartisan majority in Congress—to thwart a Communist takeover in El Salvador while advancing democratic development. It is the best way to produce a foundation for democracy in El Salvador and to provide a basis for continued U.S. assistance to combat our real enemies in Central

America—the hunger, poverty and underdevelopment which increase the appeal of extremists.

The legislation which I believe the full Senate should adopt would halt any and all U.S. military aid to El Salvador 90 days after enactment of the foreign aid bill—including aid "in the pipeline"—unless Congress confirms by concurrent resolution that the El Salvadoran Government has demonstrated its willingness to pursue an unconditional dialogue with opposition groups and has made significant progress towards key human rights, judicial and land reform goals.

My amendment goes beyond all other legislative proposals to place squarely in Congress the responsibility for affirming that satisfactory progress is being made in El Salvador on key objectives. I believe it is essential for Congress to accept this responsibility if the conditions we place on U.S. aid are to have any meaning and if our goals in El Salvador are to be achieved.

A draft of my amendment is as follows:

NEGOTIATIONS, HUMAN RIGHTS, AND REFORM IN EL SALVADOR

Sec. (a) Not later than 45 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a detailed report fully describing plans formulated by the Government of El Salvador to achieve the following objectives:

(1) Active preparation by the Government of El Salvador for an engagement (commencing within 90 days after the date of enactment of this section) in a dialogue, in good faith and without preconditions, with all major parties to the conflict in El Salvador for the purpose of achieving an equitable solution to the conflict, two essential elements of which would be (A) free and fair elections, and (B) provisions to assure the physical security of all participating political groups before, during, and after elections.

(2) Establishment of effective control by the Government of El Salvador over the military, security, and police forces and the paramilitary groups of the country so as to end the involvement of members of such forces and groups in indiscriminate violence as well as secret detention, abduction, torture, and murder.

(3) Establishment by the Government of El Salvador of an effective judicial system which promotes respect for human rights and protects participants in the judicial system from intimidation.

(4) Completion of a successful land reform program, including the payment of fair compensation to previous landowners, the prompt issuance of provisional and definitive land titles, the furnishing of necessary credits, administrative support, technical assistance and services to beneficiaries, the safeguarding against illegal evictions, and the providing for the restoration of lands of those who have been illegally evicted.

(5) Involvement of the Organization of American States or, as appropriate, other international organizations of countries interested in facilitating the discussions among all major parties to the conflict in El Salvador.

(b) Unless, at the end of a 90 calendar day period beginning on the date of enactment of this Act, Congress adopts a concurrent resolution confirming that the Government of El Salvador has made significant progress towards the achievement of each of the goals enumerated in paragraphs (2-5) of subsection (a) and is either actively engaged in a dialogue, in good faith and without preconditions, described in paragraph (1) of subsection (a) or has been unable to enter into such a dialogue because of the refusal of the major oppostion groups to participate in such a dialogue, delivery of any and all U.S. military assistance to El Salvador—including all arms sales, deliveries and credits, all U.S. military education and training, and all deployment of United States Armed Forces personnel in El Salvador—shall immediately be suspended.

(1) A concurrent resolution under this section shall be considered in the Senate in accordance with the provisions of section 601 of the International Security Assistance and Arms Export Control Act of 1976.

(2) For the purpose of expediting the consideration and adoption of a concurrent resolution under this section, a motion to proceed to the consideration of such a resoltuion after it has been reported by the Committee on Foreign Affairs shall be treated as highly privileged in the House of Representatives. If the Committee on Foreign Affairs has not reported a resolution under this section within 10 days after such resolution is referred to that committee (excluding days on which either House is not in session because of adjournment of more than three days to a day certain), it shall be in order to move to discharge that committee from further consideration of that resolution, except that no motion to discharge shall be in order after the committee has reported a resolution to the same effect as that resolution. A motion to discharge under this subparagraph is highly privileged.

ALAN CRANSTON.

ADDITIONAL VIEWS OF SENATOR JESSE HELMS

The massive restructuring by the Committee of the priorities in security assistance has resulted in a severe imbalance in the purposes and thrust of our foreign aid program. This imbalance will serve to undermine even further whatever remains of the intellectual and political support for the concept of foreign aid in general. It is generally admitted that whatever coalition in support of foreign aid may have existed in Congress has virtually collapsed, and it is only because of certain over-riding and often contradictory interests that some of the foreign aid bills have managed to become law in recent years.

The case for developmental assistance, as distinguished from security assistance and humanitarian assistance, has virtually evaporated under the consistent and penetrating criticism by a group of distinguished academics, including P. T. Bauer, Karl Brunner, Rachel McCulloch, Harry G. Johnson, and Melvyn Krauss. The work of these critics has established the currency of a more profound analysis of the process of development. This analysis demonstrates that income transfers from the developed countries to the underdeveloped countries in the foreign aid actually impede development and perpetuate the dependency relationship which aid was supposed to cure.

Thus the argument that foreign aid is a benevolent gesture has disappeared. It is striking that one of the main justifications of the Committee report on development assistance is the alleged estamate of AID that 70 percent of such assistance is used to purchase American exports, and therefore is a stimulus to the U.S. economy. Actually, AID has provided no evidence for that estimate, and in fact has no systemic procedure for providing such an estimatic. It is noteworthy that Section 702 of the bill requires AID to provide such reporting for reporting for the first time, even though the Committee report in its opening commentary seems to base its justification on this purported stimulus to the U.S. economy.

Whatever the AID reports pursuant to Section 702 may turn out to show, the fundamental rationale is specious. Bauer, writing at the London School of Economics, demolished the underlying assumption when it was applied to Great Britian's aid program:

> The last argument for aid to be considered here is the curious suggestion, often put forward in Great Britain, that foreign aid promotes, exports and thus helps the balance of payments. This argument is the reverse of the truth. The arguments says that exports are bought with aid; but this amounts to giving away the exports themselves, so that accordingly they contribute nothing to the balance of payments. And as exports have an import content and also diminish domestic supplies, exports which

> are given away aggravate the external payments problem and thereby increase the corresponding need for deflation of home demand. This argument for aid is analogous to urging a shopkeeper to have his till rifled, on the ground that he will benefit if part of the money is spent in his shop. (PP. 131–2, "*Dissent on Development,*" Harvard University Press, Cambridge, Massachusetts, 1976.)

The same argument, of course, applies to the United States. If the main buttress foreign aid arguments is that the funds are ultimately spend on U.S. procurement, then what we have is a very elaborate and wasteful way to provide a hidden subsidy to American business. If we really believe in subsidizing free enterprise, then why not do it directly and save the rake-offs that go to enrich a foreign managerial class?

The basic intuition of the American people that foreign aid is a rip-off is fundamentally sound. Even if we had the capacity to provide for so-called equitable distribution of benefits in the countries involved, aid would still be counterproductive. Countries such as Taiwan, Hong Kong, Singapore, and South Korea have demonstrated that development begins when foreign aid stops. The notion that infrastructure must be created first has the cart before the horse. Development, both economic and human, occurs simultaneously when barriers to development are removed, such as centrally controlled economies, export taxes, high income taxes, and excessive debt burden charges. The American people have a genuine human compassion for the hapless victims of war, drought, floods, and other disasters; but they have little patience with countries that burdens their peoples with ideological and political restraints on economic development.

II. SECURITY ASSISTANCE

If any kind of foreign aid is plausible, however, a case can be made that security assistance is merely an extension of our own national security needs. If the United States can supply material, training, and economic support to other countries, those countries will serve as stand-ins in the front lines against the encroachment of Marxist and socialist control of the world and the world economy. U.S. security assistance, therefore, should be used directly to reward those nations which align their goals and interests with the United States. By the same token, assistance should be withheld from those who consistently oppose our national policies and interests.

One such measure of support was put forward by our distinguished Ambassador to the United Nations, Jeane J. Kirkpatrick, in recent testimony before the Appropriations Committee, which is included as an addendum to these remarks. Ambassador Kirkpatrick ranked all the members of the United Nations as to their overall percentage of agreement to votes in the U.N. General assembly with the United States positon. Not surprisingly, her rankings showed that Israel's voting pattern, was most in agreement with that of the United States, for a total of 86.2 percent of the time. At the same time, the ten worst records were turned in by:

	Percent
Zimbabwe	12.8
Ethiopia	12.2
South Yemen	12.2
Afghanistan	11.5
Loas	11.4
Mozambique	11.2
Cuba	10.5
Cape Verde	10.4
Grenada	9.3
Albania	8.8

It is perhaps no coincidence that all ten are ruled by the cruelest and most repressive Communist regimes in the world—with the debatable point being the exact degree of Marxist control in Zimbabwe. It is at best a transitional regime. It is noteworthy that we give no foreign aid of any kind to the last nine Communist regimes; it is also noteworthy that the Committee authorized $75 million in ESF funds to Zimbabwe, along with $3 million in FMS guaranteed loans. That is a question which will be discussed below in the treatment of human rights issues.

If we use foreign aid to reward our friends and inflict losses upon enemies of freedom then we would expect that the security assistance authorization should reflect that bias. They do not. Moreover, the major restructuring of security assistance by the Committee creates an imbalance that does not serve U.S. interests. Although the levels of assistance in the various categories show no significant shifts from the total Administration request, the framework of aid within the over-all totals is strikingly different.

This imbalance was created by one of the Committee's first actions within the mark-up of increasing and reorganizing aid to Israel. Congressional support of aid to Israel has always been strong, and Israel's sympathetic response to American interests is clearly shown by the Kirkpatrick ratings. The action of the Committee in raising ESF funds for Israel to the level approved by the Committee last year (in a bill which never became law) is not remarkable. Granted the key role which Israel plays in U.S. security interests in the Middle East, there are few who would object to the high level of concern which this action indicates.

However, the action of the Committee in shifting $300 million in FMS guaranty loans for Israel to the FMS grant column resulted in a down the line shift of resources with far-reaching implications all over the globe. One of these was the need to increase ESF funds for Egypt by an additional $65 million to maintain the delicate balance in the region.

Generally speaking, those countries for which requests had been made for MAP/FMS grants had those grants cut sharply, transformed into loans, or both. Many of the countries involved serve key U.S. interests, but can't afford more debt service. If it is in the U.S. interest in the first place to use them as surrogates for our security interests, then we should examine whether they can survive the pressures they take on with the burden of our interests. Some of the key changes are as follows:

Turkey: MAP/FMS grants cut from $230 million to $110 million, a cut of over half; the Committee increased the FMS loan request to $605 million (an increase of $80 million).

Portugal: The Committee shifted $10 million in FMS grants to loans ($50 million in grants, $55 million in loans).

Honduras: The request for $40 million in ESF was cut to $30 million; the request for $40 million in MAP/FMS grants was cut to $20 million, of which $4.5 million was shifted to loans.

Guatemala: The request for $40 million in ESF was cut to $25 million.

Sudan: The request for $60 million in MAP/FMS grants was cut to $42.5 million, with no loans.

Kenya: The request for $23 million in MAP/FMS grants was cut to $14.5 million, while the request for $12 million in loans was increased to $18 million.

Somalia: The request for $40 million in MAP/FMS grants was cut to $20 million; the $20 million was shifted to loans.

Liberia: The request for $13 million in MAP/FMS grants was cut to $8.5 million, with the $4.5 million shifted to loans.

Zaire: The request for $10 million in ESF funds was cut to $5 million; the request for $10 million in MAP/FMS grants was cut to $2 million.

The largest amount of aid is scheduled for Zimbabwe ($75 million in ESF, with $3 million in FMS loans); yet, magically, these levels remain unchanged. There is something distorted in our priorities when the axe goes exclusively to those nations which have aligned themselves with the United States and against Communism (Turkey, Portugal, Honduras, Guatemala, Sudan, Kenya, Somalia, Liberia, and Zaire), while the nation which claims to be non-aligned, i.e., Zimbabwe, and which has proclaimed itself to be on the fast track to a one-party Marxist state, is slated to receive the largest amount, and remains untouched? What charm does it possess?

As a final point on the issue of security assistance, I am reliably informed that the government of Spain is considering offering to the Marxist Sandinista government of Nicaragua credits in an amount somewhere between forty and fifty million dollars. Yet the Committee has authorized $400 million for Spain in this bill. I hope that the information I have received is false. I cannot but wish that Spain, which has struggled so hard to make democracy work, will not reward the current government of Nicaragua, which has worked equally hard to destroy democracy in Central America, and shows no sign of implementing democracy in its own country.

If, however, the information which I have received is correct, then I reserve the right to offer an amendment to the security assistance bill on the floor to take from Spain a dollar amount equal to that which Spain makes available to the government of Nicaragua. Why should the United States finance the government of Nicaragua in its repressive policies indirectly through our assistance to Spain? I hope that the government of Spain can assure us that it has no intentions of helping prop up the undemocratic, Marxist government that the Sandinistas have imposed on the people of Nicaragua against their will. Then, the friendly relations that exist between Spain and the United States can continue in a mutually productive manner.

III. HUMAN RIGHTS ISSUES

The bill produced by the Committee demonstrates an ambivalent attitude toward human rights. On the one hand, there has been much sound and fury over alleged violations of human rights in El Salvador, and an attempt has been made to punish the democratically elected government of that country for not surrendering to power-sharing concepts with the Marxist guerrillas trying to destroy freedom in El Salvador. But on the other hand, the Committee readily agrees that we should describe our relationship with the Peoples Republic of China, which has an abominable human rights record as that of a "friendly ally." In China, no human rights exist at all, except those which are permitted by the whims of the Communist Party. Rights which are proclaimed today are as easily rescinded tomorrow, because rights are not inalienable; rights are only the current policy of the party. Any alliance with the Peoples Republic would be just as tragic as our alliance with the USSR during World War II. Our political systems, our religious traditions, our economic assumptions, and our definitions of human rights are so totally different that any concept of permanent alliance is totally repugnant to the American character.

My amendment to Sec. 704 would have prohibited aid to the People's Republic of China until certain basic human rights requirements were met. These were predicated on the testimony which the Administration made before the Committee in secret session earlier this year concerning widespread, officially sanctioned practices of the Chinese Government concerning the population control program. That testimony confirmed, on the basis of scholarly reports already available to the public, a widespread pattern of mandatory abortions, often carried out in the last months of pregnancy, for women who desired to have more than one child. The conclusions of the best experts available to the Committee reflect not only the widespread character of this fundamental violation of human rights, but the official sanction given to the practice by the Government of the People's Republic of China.

Furthermore, recent reports in the public media reflect a startling incidence of official sanction of child exposure in rural China. In this practice, infant girls are often left to die of exposrue because the parents, under the burden of the one-child-only rule of the Chinese population program, would like to be allowed to try again for a boy child, since males are preferable in the traditional Chinese family structure. Furthermore, it has been reported widely that, in cities, sonograms are employed to detect the sex of unborn infants, so that females may be detected and aborted early.

Furthermore, recent reports indicate that a group of Roman Catholic priests, released after 20 years of imprisonment by the Maoist forces for continuing to embrace the tenets of their faith, were jailed again in recent weeks because of their insistence that they remain true to the Holy Father and the Roman Catholic hierarchy.

These considerations should be dealt with fully before the Administration would be allowed to give any foreign aid to China.

At the same time we have a situation in Guatemala where a corrupt and oppressive regime gave way to a reformist one in 1981.

Since then there has been a striking change for the better. The government of President Rios Montt has moved quickly to clean up corruption, protect the peasants from Communist guerrilla marauders, reform the police, and protect the judiciary. For example, 265 policemen have been dismissed for various crimes, and many are being tried in the courts. I have written to Assistant Secretary of State Tom Enders on the present situation, and his pertinent and detailed response will be included below.

It is noteworthy that Guatemala has not only done a notable job in cleaning up its government, but it also has the best record in Latin America for supporting the United States in the UN according to the Kirkpatrick ratings. It makes no sense that Guatemala's authorization should be cut.

Similarly, Honduras is also one of the highest in Latin America in levels of support for the US in the UN. I attended the inauguration of President Roberto Suazo Cordova, and I heard him promise that Honduras would always be the friend of the United States. He has kept that promise; and Honduras is a worthy friend. The elections which brought President Suazo to power marked the return of democracy to that land. Significantly, President Suazo has tacitly allowed the U.S.-supported Nicaragua freedom fighters to organize in Honduras for the battle to bring democracy to Nicaragua, a land in the grip of an unelected Marxist regime. Why do we reward Honduras' loyalty and friendship by chopping the aid which Honduras needs to strengthen its security?

Yet Zimbabwe is a nation whose leader, Robert Mugabe, is a self-proclaimed Marxist who publicly states that he is setting up a one-party Marxist state. He has used threats, harrassment, intimidation, imprisonment without charges, torture, and perjury against his principal political opponents, both white and black. He has set aside the Lancaster House agreement, including the agreement on human rights, by maintaining a state of emergency in what was supposed to be a period of national reconciliation. He brought in North Koreans, the product of one of the sternest and most brutal of Communist systems, to train his special Fifth Brigade crack troops as his own praetorian guard; then he turned them against the Matabele people for a round of raping, looting, killing, and intimidation of political opponents strongly condemned by the Catholic Bishops of Zimbabwe. During hearings on aid to Africa, I submitted questions to the Administration concerning whether or not the United States considered the Lancaster House agreement to have been violated by some of these incidents. The response was affirmative. (The questions and responses follow below.) Yet the $75 million for Zimbabwe remains untouched.

IV. EL SALVADOR

I am reluctant to support any compromise figures on aid for the struggling democracy in El Salvador. It was proper for Senator Lugar to request an up-or-down vote on the full amount of President Reagan's request; the President had assured the Congress and the American people that his request represented the bare minimum to achieve U.S. goals for El Salvador.

To fall short of that minimum requirement sends just one more message to the people of Central America that the Congress of the United States is willing to play dice with the future of that very strategic region. The United States has properly judged Central America and the Caribbean to be of the utmost importance with regard to American security. A free Caribbean is indispensible to our ability to meet our responsibilities to NATO, should any crisis develop in Europe. The flow of strategic minerals and petroleum products through the Caribbean is indispensible to the normal operation of American industry. A destabilized Central America would send tens of millions of refugees to the United States, and we are not ready for them.

Moreover, the United States has a moral responsibility, not only to the people of the Central American region, but specifically to those of El Salvador. Three years ago the United States forced a revolutionary junta onto the people of El Salvador and then coerced that junta into adopting a program of expropriations and nationalization. This pleased the international planning community, but did not meet the true needs of the Salvadoran people in their desires for reform. The severely damaged Salvadoran economy now bears the scars of those socialist programs, even as the Salvadoran Constituent Assembly and national Government struggle to rectify the mistake by seeking solutions which more readily reflect the realities of the free-market, private-enterprise system.

The United States, especially under the last Administration and culminating under the "proconsulship" of Ambassador Robert White, is largely responsible for the deterioration of the situation in El Salvador. For us to abandon this country after having brought it to the brink of destruction would send a signal to all our remaining allies around the world that we are thoroughly undependable. Already various countries in Latin America are striving to cut their own deal with Castro, fearful that the United States might at any moment walk away from its own back yard, keeping if off limits to those defending American interests, while guaranteeing safe havens throughout the region for Communism. President Reagan outlined the integral realities of the situation in his recent speech before the Joint Session of Congress. I do not think it wise that the Congress be half-hearted in its support for the President in this regard, and therefore advocate the adoption of the full request made by the Administration.

V. THE AMENDMENT RELATING TO KRUGERRANDS

During Committee deliberations on this measure, a particularly shortsighted amendment was offered and tentatively accepted by the Committee. Because the amendment would change the U.S. Tariff Schedules, and because the Finance Committee properly expressed concern about jurisdictional prerogatives, the amendment was dropped from the Committee bill. It may, of course, be offered on the floor of the Senate.

The amendment would impose a 2 percent tariff on the importation of Krugerrands and other gold coins which might be minted for or by the nation of South Africa. It also stipulates that the revenues from the tariff would go to establish a "Black South African Education Trust Fund."

The obvious intent of the bill is to take economic actions against the nation of South Africa because of its national policies regarding non-white racial groups in that nation.

There is little disagreement that such a system of discrimination is inconsistent with the rule of law in the United States today. There are many who would like to have the American system imposed on that notion.

The Krugerrand amendment assumes that the Administration policies with regard to the racial policies of South Africa are inadequate or ineffectual. Succeeding Republican and Democrats have developed policies aimed at changing South African policies in a way most consistent with American interests. They have not included restrictions on the importation of South African gold coins for a number of good reasons.

First, the production of gold is the largest single employer of black labor in South Africa. If it were possible to directly cripple the profitability of South African gold mines by restricting Krugerrand imports, the first hurt would be the thousands of black miners. In recent years, the wages of these miners has increased at a pace far in excess of those of the average South African, and while it is not on the par with American miners' wages or even with South African white miners, it is far higher than it was in recent years.

In fact, the chief spokesman for black South Africans, Chief Gatsha Buthelezi (and the man who many people say would be head of a black government of South Africa) has strenuously opposed this type of economic sanction against South Africa because it hurts the black the most.

Finally, gold is a fully homogenous asset. To say that South African gold is different from any other gold is to make a distinction on the machine imprint only. If the Krugerrand market in this country were restricted, there is no reason to suppose that the very sizeable gold market would not be taken up by other nations sending us gold coins.

I am a sponsor of a bill which would provide for a new U.S. gold coin, but my goal is to improve the freedom of Americans and extend it, making possible a new U.S. coin. I think that restricting the competition here is shortsighted, and counterproductive to the goals that the sponsors of the amendment state.

JESSE HELMS.

APPENDICES

A. TESTIMONY OF AMBASSADOR JEANE J. KIRKPATRICK, U.S. PERMANENT REPRESENTATIVE TO THE UNITED NATIONS

Mr. Chairman: Last year, appearing before this Subcommittee, I presented a kind of report card on my first 16 months at the United Nations, in the course of which I tried to make four major points. These were:

The United Nations is an important body, worthy of our attention.

The United Nations is not at all the institution its American founders hoped for.

The United Nations does not reflect or represent the world in the way representative bodies usually do.

The question for the United States and for all countries committed to democracy and self-determination is whether the United Nations can be made a more effective instrument for problem-solving and peace-making among nations, an institution which helps resolve differences rather than exacerbate them.

Today, I would like to talk about a phenomenon that underlies these considerations, an activity which determines whether the United Nations becomes involved in conflict resolution or conflict exacerbation. I want to talk about voting behavior in the United Nations, and I will try to explain why we seem so often to be on the wrong side of lopsided votes, and what this tells us about ourselves and about the United Nations.

From the very earliest days of the United Nations, we here in the United States have had a fundamentally flawed mental picture of how issues are decided at the United Nations. We have imagined that the General Assembly, or whatever U.N. body is under consideration is made up of individual voting members who listen carefully to the arguments pro and con, decide what is right and just and in their country's interest, and vote accordingly. This is what political scientists call the "rational activist" view of voting behavior.

Why we should have believed that anything in this imperfect world would operate on a totally rational basis, is an interesting question. After all, legislatures do not behave in this way. With all respect, I may suggest it is open to question whether the Congress of the United States operates on so pure a basis of absolute rationality.

Yet somehow, we expected that the United Nations would behave in this manner. Indeed, we profess surprises and disappointment that it does not.

How does the United Nations behave? You may not be too surprised to learn that voting behavior at Turtle Bay is rather like voting behavior in any legislature. That is, voting alliances, temporary or of longer duration are formed on the basis of shared interests. Favors are extended, obligations accumulated and discharged, arms are twisted, horses traded and occasionally, or so one hears, a vote may be bought—or at least rented.

There is one phenomenon which is unique to United Nations voting behavior, however, and that is the role and influence of the various regional voting blocs.

Regional organizations have played a key role in the United Nations since the organization was established. The Charter, in Article 52, encourages the involvement of regional organizations in the settlement of international disputes, and in Article 53 even recommends to the Security Council that regional organizations be used to enforce Council decisions. The Charter thus institutionalizes a role for regional groupings within the U.N. system.

Over time, a network of informal arrangements has grown up, linking the Secretariat of the United Nations with the secretariats of the various regional groups such as the Organization for African Unity or the Islamic Conference. In fact, some international civil servants move from a job with one or another regional body to a job at the U.N. Secretariat, and back again, during the course of a career. Most of all, however, the position of the regional organizations has been cemented within the UN by their effectiveness in protecting their members' interests, for it is through these regional voting blocs that the smaller nations have been able to make sure that the issues important to them will dominate the agenda of the United Nations.

The numbers tell the story. The Organization for African Unity has about 50 members—one-third of the U.N. membership. The Asian group has about 40 members. A voting coalition of the two will have enough votes to carry any issue, even allowing for defectors or absentees, regardless of who else may be opposed. Similarly, the Non-Aligned Movement has about 96 members at present. If the NAM caucus takes a position on an issue, that position will determine whether the issue is voted up or down in the United Nations.

The influence of these voting blocs is so all pervasive, that today in the United Nations, aside from the United States, only Canada, New Zealand, Australia and a very few others, exist outside of voting blocs, and the Australians, Canadians and New Zealanders have the British Commonwealth Club to which they can repair. But we are members of no Club, given the rational activist approach we adopted at the beginning of our U.N. career and, perhaps even more importantly, given the fact that our interests are global rather than regional in scope. When we examine an issue, we must determine how it will affect NATO, whether it will have an impact on security on the Korean peninsula, or the prospects for peace in the Middle East, stability in the South Atlantic or economic development in the Caribbean. For many U.N. members, the claims of regional solidarity or some form of religious or cultural affinity can be commanding. This is not true for the United States.

So we find ourselves in an arena which is dominated by the concerns of the regional voting blocs. What are they? Because the regional organizations themselves are heterogeneous—the Organization for African Unity, for example, includes Arab states and black states, Islamic states and Christian states, kingdoms and socialist republics—broad unity tends to coalesce only around certain "lowest common denominator national corporations, the bogeymen of the new international mythology; support for any organization which describes itself as a "national liberation movement"; support for high levels of resource transfers from the industrialized to the nonindustrialized world as a matter of right and obligation.

Thus the agenda of the General Assembly tends to be the same from year to year. Indeed, aside from the addition or subtraction of verbal curlicues, not only the agenda items but the resolutions themselves are the same from year to year. There are the inevitable twenty or thirty resolutions attacking South African behavior and the equally inevitable ten or twenty resolutions attacking Israel. There are never any resolutions calling upon the Arab countries of the Middle East to make peace with Israel, nor are these resolutions which might lead the South Africans to believe that if they did modify their behavior—which indeed is an affront to human sensibilities—their international isolation might be lessened. Meanwhile, in the realm of resource transfers and economic development, codes of conduct for multinational corporations are elaborated which, if followed, probably would drive these firms out of business and surely would drive them out of the non-developed world, scuttling the economies of many of these third world states in the process. At the same time, new "human rights" are identified, for example the right to painfree, adjustment-free economic development. I have no doubt at all that one day the General Assembly, in its collective wisdom, will declare that all children have an inalienable right to a completely happy childhood and a truly compassionate second grade teacher.

Given this issue orientation and the determination of most of the "third world" to steer clear of anything that looks like an East-West confrontation, no one should be surprised that we find it difficult to get a hearing on issues like human rights violations in the Soviet Union, or that we often find themselves on the wrong side of a lopsided vote.

Let's take a closer look at voting behavior. If we take the twenty issues which we identified as the most important at last year's General Assembly, and compare our voting pattern with that of each of the major blocs, we see the following measure of agreement:

	Percent
With the West Europeans	80
With the Latin Americans	38
With the Asian group	26
With the African group	23
With the East Europeans	8
With the nonaligned movement	22

Of course these overall vote totals don't tell the whole story, because we are amalgamating votes where we were, happily, on the winning side at 105 to 23, as in the case of the resolution on Kampuchea, to resolutions where we were on the wrong end of 113 to 4. This last vote is worth looking into more closely, for it is a good example of how common sense can be confounded, and confounded overwhelmingly. At issue was a resolution which called on the Security Council to take steps to establish an independent Palestinian state in the Israeli occupied territories, to create it by fiat and impose it on Israel. Now of course such an action would cut directly across the major Security Council resolutions on the Middle East, 242 and 338, and everyone knew that the Security Council was never going to do this. Equally, everyone knew that such a resolution was quite worthless in terms of advancing the settlement on any of the outstanding Middle East issues. In fact, the resolution was as good an example as one could find of UN action which exacerbates differences rather than settling them. Nevertheless, 113 states voted for the resolution and only two, Canada and Costa Rica, joined the United States and Israel in voting against it. Our NATO allies other Canada abstained.

Now how does this happen?

I think it happens because a few see a chance to roil the waters, while the many are so desensitized to this kind of cynical manipulation that they no longer take it seriously. Not only do they vote in favor, believing that it will lead to no result one way or the other, they vote in favor precisely because they know it will lead to no result. If they thought it would, most would vote differently.

As I have said in past testimony before this and other committees, at the U.S. Mission to the United Nations, we take these matters seriously and we believe that resolutions like this one do have an effect. Not only is there a kind of Gresham's Law of resolutions where balderdash such as this preempts the time that could be given to more useful purposes, but the very elan and purpose of the United Nations as a body dealing realistically with real problems tends to be eroded.

In the 2 years I have been there, and increasingly in the past 12 months, I think that we at the U.S. Mission to the United Nations have shown that by taking the United Nations seriously, and by demonstrating to all that we do take it seriously, we have made a difference. On issues of particular concern to us, for example on the question of Puerto Rico at last year's General Assembly, by communicating the depth of our concern we were effective in winning support, and ultimately the vote. We have been successful as well on other issues of principle, for example in connection with the attempt to delegitimize Israel and to deny Israeli credentials. Along the way, we have learned that on matters of principle, one must take an absolutely clear and unambiguous stand. Although I often have been told of the uses of ambiguity in bilateral matters, I am persuaded that extreme clarity is necessary in multilateral diplomacy.

Which brings me to a final point, and one I consider particularly important. In my view, we cannot and should not maintain the compartmentalization that traditionally has separated our bilateral and our multilateral diplomacy. We need to communicate to nations that their votes, their attitudes, and their actions inside the U.N. system inevitably must have consequences for their relations with the United States outside the U.N. system. We must communicate that it is not possible to denounce us on Monday, vote against us on important issues of principle on Tuesday and

Wednesday, and pick up assurances of our support on Thursday and Friday.

To say that I believe there has to be some linkage between bilateral and multilateral diplomacy should not be taken as meaning I advocate simply turning the economic assistance spigot, or the military assistance spigot, or any spigot at all, on or off solely on the basis of how a country votes in the United Nations. Obviously, when the Administration proposes assistance to another country, and when the Congress votes it, both have in mind specific and important reasons for doing so. These can range from key geostrategic location, to economic or political turnaround, to formal military pact or base agreement. But I do believe that behavior, including voting behavior, in multilateral organizations like the United Nations should also be one of the criteria we employ in deciding whether we will provide assistance, and what type of assistance and in what amount. Most particularly, I am convinced that to make attacks on the United States a risk-free operation can have only the effect of insuring that they will take place.

Thank you.

UN Voting Record—37th General Assembly, 1982 (overall percentage agreement with United States, all UNGA votes)

Regional group/country	Percent
Israel	86.2
Western Europe and others:	
United Kingdom	80.1
Federal Republic of Germany	76.6
Belgium	74.4
Luxembourg	73.7
Canada	70.7
France	68.8
Italy	67.9
Netherlands	66.8
Australia	64.6
New Zealand	64.2
Denmark	60.3
Norway	59.8
Iceland	58.4
Portugal	57.3
Spain	51.1
Ireland	48.7
Finland	43.2
Austria	40.6
Greece	33.2
Latin America/Caribbean:	
Guatemala	49.2
Paraguay	48.9
Uruguay	36.4
Honduras	36.2
St. Lucia	35.2
Chile	35.1
St. Vincent	33.3
El Salvador	32.9
Haiti	31.9
Bahamas	31.3
Dominican Republic	30.1
Costa Rica	29.4
Columbia	27.7
Brazil	27.2
Venezuela	25.0
Antigua and Barbada	25.0
Trinidad and Tabago	24.8

Regional group/country	*Percent*
Ecuador	24.8
Jamaica	24.0
Dominica	23.5
Peru	23.5
Suriname	22.5
Barbados	22.1
Argentina	22.1
Panama	20.0
Mexico	19.9
Bolivia	18.5
Belize	17.9
Guyana	17.5
Nicaragua	14.3
Cuba	10.5
Grenda	9.3
Asian group:	
Japan	67.2
Turkey	44.6
Soloman Islands	34.2
Fiji	31.6
Lebanon	31.5
Singapore	30.8
Philippines	30.2
Papua, New Guinea	30.2
Samoa	30.2
Kampuchea	28.0
Burma	27.1
Pakistan	26.8
Nepal	26.5
Egypt	26.2
Malaysia	25.5
Malta	24.7
Indonesia	24.5
Oman	24.2
Saudi Arabia	24.0
Bangladesh	22.8
Sri Lanka	22.0
Jordan	20.8
Qatar	20.7
Bahrain	20.6
United Arab Emirates	20.2
China	20.2
Kuwait	20.2
Cyprus	19.9
Bhutan	19.5
Yemen, North	18.4
Mauritius	17.3
India	17.2
Iraq	16.3
Iran	14.8
Syria	14.4
Libya	13.6
Vanuatu	12.9
Seychelles	12.8
Yemen, South	12.2
Laos	11.4
Afghanistan	11.5
Africa:	
Morocco	31.8
Malawi	31.4
Somalia	30.6
Ivory Coast	30.4
Liberia	29.0
Zaire	28.3
Gabon	28.1
Sudan	26.0

Regional group/country	*Percent*
Senegal	25.8
Chad	25.7
Equatorial Guinea	25.4
Cameroon	25.1
Central African Republic	25.0
Togo	24.1
Tunisia	24.0
Djibouti	23.7
Lesotho	23.4
Mauritania	23.1
Kenya	22.4
Upper Volta	22.3
Niger	22.0
Maldives	21.8
Rwanda	21.6
Burundi	21.1
Zambia	20.6
Nigeria	20.5
Gambia	20.3
Sierra Leone	20.3
Tanzania	20.3
Ghana	20.1
Botswana	20.0
Comoros	20.0
Guinea	19.0
Uganda	17.9
Swaziland	16.9
Congo	16.0
Sao Tome	15.1
Madagascar	14.9
Benin	14.2
Angola	14.2
Guinea-Bissau	13.9
Algeria	12.8
Zimbabwe	12.8
Ethiopia	12.2
Mozambique	11.2
Cape Verde	10.4
Eastern Europe:	
Hungary	21.0
Bulgaria	20.8
U.S.S.R.	20.6
Byelorussia	20.6
Czechoslovakia	20.5
German Democratic Republic	20.1
Romania	19.4
Yugoslavia	19.0
Poland	18.9
Mongolia	18.3
Albania	8.8

B. STATEMENT OF SENATOR HELMS WITH REGARD TO AMENDMENT OFFERED IN COMMITTEE ON THE QUESTION OF HUMAN RIGHTS IN THE PEOPLES REPUBLIC OF CHINA

Mr. HELMS. Mr. Chairman, this amendment is a response to Section 506 on page 33 of the side-by-side. The implications of Section 506 are, in my judgment, thoroughly repugnant to the American people. It is one thing to proclaim doctrine that a narrow strategic purpose is served by encouraging Communist China to keep its troops on the northern border, supposedly "tying up" Soviet troops—although that is a rather phony argument in itself if you examine it closely. It is, however, another thing to suggest that Communist China can ever be an "ally" of the United States in defense of those freedoms which we hold dear. By implying that the Chinese system is no longer hostile to our values, despite the efforts to find some point of agreement in military strategy, section 506 prepares the way for a warmer embrace with a totalitarian system.

Now the State Department may claim that they have no plans to send foreign aid to China. Frankly, that claim is less than credible. I doubt that the higher echelons have signed off on any such plans, but they are bubbling up from below. When the transition team went into AID in November 1980, they found that position papers advocating aid to China had already been prepared. So even if the Reagan Administration is not planning to send aid to China, the permanent government, that is, the bureaucracy, is undoubtedly biding its time, ready to swing into full gear. If we ever do give aid to China, it should only be done when we recognize that China is an ally of our democratic values.

Now last year, when this same issue came up with regard to Public Law 480, we held extensive hearings on the human rights situation in China, with Administration witnesses and outside witnesses. What we found was that any improvement, so called, in human rights in China was marginal. One of the most hopeful signs that the Administration pointed to in those hearings was the release of a group of priests who had been imprisoned for more than 20 years. In last week's New York Times, there was an article saying that the same group of priests had been sent back to the concentration camps. (Copies of the article are available).

The fact is that China is still a totalitarian dictatorship, and to the extent that any human rights exists, they exist at the whim of the Communist Party for tactical reasons. In other words, the concept that human rights are inalienable has no place in China. Our hearings demonstrated that in the process of establish and maintaining the Communist state in China, over 60 million people were deliberately eliminated, and 50 million more were allowed to starve as a matter of state policy. These were scholarly estimates prepared by our present Ambassador to Korea, Dr. Richard Walker.

Moreover, it was found that there was no freedom of the press, no freedom of speech, no freedom of assembly, not even the right to choose one's job or place of work. Furthermore, the Administration admitted that the concentration camps still exist, although it declined to say how many Chinese are in such camps—the same kind of political re-education camps that the Shanghai priests have just been sent to. Other information we received in the Agriculture Committee indicated that there are at least 25 million in the Chinese gulags. I find it obnoxious even to think of this nation as an ally.

Finally, I would point out that this year this committee received credible information from a U.S. government agency that it is Chinese government policy to force women to have abortions where the pregnancy does not fit into the state plan. Now I realize that there is a wide difference of opinion on this committee over the right of voluntary abortion, but I think that everyone can agree that forced abortion is a heinous crime against human nature.

All of this happens in China not because of "excesses" or because of abuse in the past but because of the very nature of the system. You cannot blame the millions of murders on the Gang of Four. What is at fault is a one-party dictatorship that is determined to impose a false ideology upon a resistant people. Unless the Communist Party's grip is broken on China, China will always be totalitarian, and will always be a long-term enemy of the Free World.

My amendment is modeled upon the same points that are already law with regard to El Salvador. It is hypocritical to impose such certification upon El Salvador—a country that is basicly prowestern, even though its government is flawed—and not to recognize that the same issues apply to a much larger country that is dedicated to the overthrow of our fundamental values. The four points of this amendment, will send a message to our policymakers not to contemplate aid to China until there are some basic reforms.

AMENDMENT PROPOSED BY MR. HELMS

At the end of the committee amendment, delete the period, insert a semi-colon, and the following:

"and providing further that the President shall certify to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations that he has determined that the Government of the People's Republic of China—

(1) is making a concerted and significant effort to comply with internationally recognized human rights, including the right to life, the right to refuse abortion, and the right to free exercise of religion;

(2) is achieving substantial progress in efforts to prevent the resurgence of the indiscriminate torture and murder of Chinese citizens which has characterized the regime of the People's Republic in the past;

(3) is making continued progress in implementing essential social, economic, and political reforms, including the implementation of the right to hold private property, to engage in free commercial enterprise, and the elimination of large-scale detention centers, re-education camps, and work camps; and

(4) is committed to the holding of free elections at an early date, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in China, without preconditions, leading to an equitable political solution including an electoral process in a multi-party system with internationally recognized observers."

[From the New York Times, May 2, 1983]

CHINA JAILS FOUR PRIESTS FOR NOT SEVERING VATICAN TIES

(By Christopher S. Wren)

PEKING.—Four elderly Catholic priests in Shanghai have been sent back to prison for up to 15 years for offenses that included maintaining ties with the Vatican and sending abroad information about Catholics in China.

The priests were first arrested in November 1981 in a police crackdown on underground religious activity. They were put on trial after spending as much as 16 months in detention, according to reports from Catholic sources in Shanghai.

The Rev. Zhu Hongshen, who is known in the West as Vincent Chu, received a 15-year prison sentence. The Rev. Zhen Yuntang, who is known abroad as Joseph Chen, was sentenced to 11 years.

The formal charges against Father Zhu and Father Zhen accused them of colluding with foreign countries, collecting intelligence reports, fabricating rumors, carrying out subversive activities and endangering the sovereignty and safety of the state.

But the Catholic sources said the underlying issue was their refusal to sever links with the Vatican and submit to the authority of the state-approved Catholic Patriotic Association, which oversees Chinese Catholics.

The Chinese Catholic Church broke with the Vatican in 1957 at the Government's behest and now ordains its own bishops and priests and still celebrates mass in Latin.

The Administration of Religious Affairs, a Government watchdog body, has estimated that there are up to 3 million Catholics and 700,000 Protestants in China.

Father Zhu is now 67 years old and Father Zhen is 75, the sources said. The two Jesuits have spent nearly 24 years in prison. They were freed in late 1979 and warned to avoid unsanctioned religious activity.

Earlier, the Rev. Chen Baishun, 80, known in the West as Stanislas Chen, was sentenced to 10 years and another priest, identified only as the Rev. Stephen Chen, 66, was given two and a half years, according to the sources, who did not give further details of their trial. Both priests were also Jesuits who had been in prison.

After persecution by Maoist radicals in the Cultural Revolution, Chinese Christians have been allowed to worship openly again, but within explicit guidelines that require the rejection of Western connections and support of state policies.

The officially sponsored Catholic Patriotic Association has attacked the Vatican publicly for purported interference in China's internal affairs and has criticized Pope John Paul II for his "slanderous remarks" last year that Chinese Catholics were being persecuted like the early Christians.

At a celebration in Peking last month of the 25th anniversary of the founding of the Catholic Patriotic Association Xi Zhongxun, a prominent party official, warned the Catholics against maintaining illicit ties with the Vatican.

"If any Catholics want to be subjected by foreign forces, they would hurt the national dignity of the great Chinese people," said Mr. Xi. "If they violate the law, they will be punished by the law."

The Catholic sources said that colluding with foreign countries meant meeting unapproved visitors from abroad and that collecting intelligence reports meant assembling reports about the state of the Chinese Catholic Church. The sources said that fabricating rumors was a legal euphemism for circulating unauthorized religious literature.

During his brief two-year interval of freedom, Father Zhu passed on religious books, medicine and money received from abroad to other priests around China who had also been in prison and were mostly elderly and ailing, the sources said.

C. LETTER FROM HON. THOMAS O. ENDERS, ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS, TO SENATOR HELMS ON THE CURRENT SITUATION IN GUATEMALA

U.S. Department of State,
Assistant Secretary of State for
Inter-American Affairs,
Washington, D.C., May 12, 1983.

Hon. Jesse Helms,
U.S. Senate,
Washington, D.C.

Dear Jesse: Your letter of support for Guatemala is most welcome. Certainly Guatemala deserves our help. The Government there has made tremendous progress during the past year in combatting the insurgency, in bringing peace to large sections of the country, and in restoring the democratic process, That progress has not been without difficulties and setbacks, but the Government certainly deserves more credit for its efforts than it has received. That these changes have come about without the usual "demands" or "help" from outside forces I'm sure is all the more suprising to some observers. It shouldn't be. For both moral and pragmatic reasons, Rios Montt has determined that the insurgency will not end until the basic social and economic problems that cause the people to turn to the guerrillas for support are eliminated.

I couldn't share more your concern about proposed Congressional action to limit or eliminate U.S. assistance to Guatemala, particularly economic assistance. Frankly, I find it ironic that while this Administration is criticized for allegedly emphasizing military over economic assistance to Central America, certain members of Congress want to cut economic assistance to Guatemala. The $40 million ESF program is needed, not only to help meet Guatemala's temporary balance of payments problem and to permit it to import vitally needed medical and petroleum supplies, but also to expand our development programs to meet the needs of Guatemala's poor particularly in the Indian highlands. Denial of these funds will only increase rural poverty and unemployment and contribute to the very conditions which force people to turn to the extreme left and right. And we should invest in the successes of the Rios Montt government.

I must admit that I was taken aback by your comment about our apparent lack of support for the positive changes taking place in Guatemala. During the past week the President met with Council of State President Jorge Serrano to discuss relations between our two countries and how we could be helpful to his government. I subsequently had four separate meetings with him. When we parted on Monday night I'm confident he left with the feeling that this Administration backs his government, not only in word but in deed—through our actions that week to prevent the discontinuation of oil imports to Guatemala, to facilitate discussions with the IMF and to encourage private bank support for his country. I told Mr. Serrano that the President had intended in his March 10 speech on Central America to propose a substantial supplementary economic appropriation for Guatemala. He had decided not to in light of the uncertainties surrounding the AID contractor's case, but wanted to go ahead as soon as that was cleared up. We promised to stay in close touch and to work together to achieve our common goal of bringing peace and democracy to Guatemala. That objective cannot be met unless Congressional opposition to assistance to Guatemala is overcome. Mr. Serrano realizes this and will work in his country toward that end. We will need your help as well.

Turning to the issues raised in your letter:

(1) The AID contractors case.—As I mentioned, the Guatemalan Army's handling of the case of the murder of the AID contract employee has been an important factor in Congressional consideration of our present request for economic assistance to Guatemala. We understand the case of the lieutenant is presently before a military court in Huehuetenango. Frankly, various Guatemalan officials have given conflicting accounts of the events surrounding the disappearance of Patricio Ortiz. We have developed much information on our own, and are watching very carefully to see how seriously the Court pursues the murder case. Court action to bring to justice those responsible for this crime would certainly help us in our efforts to obtain Congressional support for economic assistance to Guatemala.

(2) Special courts.—The dilemma you present between the need to protect the lives of judges and lawyers and an open judicial process is not one that has easy solutions. The Guatemalans point out that during 1980 and 1981, sixty-two lawyers and judges were killed, whereas under the present Government none have been killed. While we have offered to provide consultants to discuss legal reforms with the Guatemalans, the government has sought help elsewhere. In this regard, we were gratified to learn that the Guatemalan government, in a most unusual step, has requested the Inter-American Juridical Commission's assistance in finding a solution to the country's legal problems.

(3) Disciplining security forces.—I fully agree with you the behavior of the Guatemalan security forces has improved over the past year. Recently, our Embassy was told by a former guerrilla that in the areas of conflict people are returning to their villages because they believe the army is helping them to rebuild their lives and is now defending them. Some of these people told him that they had joined the guerrillas because they feared and hated the army so much. These days, however, many of these people are looking for protection from the army; they now fear the guerrillas.

No one would deny that there have been abuses, and it's probable that some of these have gone unpunished. Nevertheless, the Government has taken measures to insure better control, such as the recent restructuring of the military that will make a single officer in a department responsible for all security force personnel under his command.

As you pointed out, the Government has taken action against members of the security forces who violate the code of conduct. Considering the political sensitivities involved, we should not be too harsh if the pace has not been what we would ideally like to see. The important thing is that there be continued progress in this regard.

(4) Investigations of alleged massacres.—A number of human rights groups have accepted the Guatemalan government's invitation to visit the country. Others have visited the refugee camps in Mexico. The general tone of their reports is negative. The large number of villages in Guatemala (17,000), the incomplete information in the reports and the lack of accessibility of a number of the areas identified in the reports has made it difficult to determine the varacity of many of the allegations. Nevertheless, we addressed some of these when compiling our annual human rights report in January and in a letter I wrote to Amnesty International last September. Embassy personnel have visited some of the towns allegedly destroyed by the Army, such as Juleque, only to find that nothing occurred. Nor have we been able to confirm the allegations of the refugees in Mexico in visits to the Guatemalan villages they allegedly fled from. While the Army has been accused of human rights abuses, the guerrillas increasingly appear to target noncombatants, particularly in villages that have sought the government's protection.

(5) Status of the insurgency.—While large areas of the country are relatively peaceful in contrast to a year ago, no one should be under the illusion that Guatemala's guerrilla problem has vanished. Our Embassy estimates that 2,000–2,500 hardcore guerrillas remain—a significant force. The Guatemalan Army remains the major military force confronting the guerrillas. The civil defense patrols, which now may include up to 400,000 individuals, are sparsely armed.

The Government has sought to reduce the number of guerrillas by offering an amnesty. Reportedly, 1,936 people accepted the amnesty of June, 1982. The government announced that 8,827 people turned themselves in between October 1982 and March 1983, when no official amnesty existed. On April 26 General Mejia, the Defense Minster, announced that 1,389 people had taken advantage of the Government's April Amnesty which has been extended through May. While we have no means to verify the number of those who accepted the amnesty, Embassy sources indicate that the amnesty program coupled with the improved behavior of the Army has caused a loss of support for the guerrillas among many of their former supporters. To maintain that initiative, the government will have to increase its economic and social programs in the highlands—an area where our assistance is greatly needed.

(6) Refugees in Mexico.—The Guatemalan government is keenly interested in seeing the 35,000 to 40,000 refugees presently in Mexico return. To reassure the refugees, Guatemalan officials have offered to have an international organization, such as the ICRC, monitor refugee camps in Guatemala. Although we cannot confirm the number of people that have already returned from Mexico, Embassy officers have talked with several during visits to villages near the border. The refugees indicated that they returned because of the reports received from relatives and friends that the Army no longer was mistreating the people, but rather was protecting them. If larger groups return from Mexico we are prepared to assist in meeting their basic needs for food, shelter and medical treatment, as we did for the large numbers of internally displaced persons last year.

(7) Return to constitutional government.—The lifting of the state of siege, the issuance of the election decrees and the amnesty are all positive steps leading to the restoration of democratic government in Guatemala. A number of committees, representing a wide spectrum of political opinion, have been organized for the purpose of establishing political parties. The Government is actively encouraging the exiles to return and has guaranteed that the Communist Party can participate in the election process if it so desires. The latest step in this process is the establishment of a committee of seven law school deans and academics to nominate candidates for an independent electoral tribunal, which will have total responsibility for future elections. The committee is expected to present its 20 nominees to the Supreme Court by the beginning of June. The Court will select 10 from this list. This committee will develop the plans for constituent assembly elections, which are expected to be called on March 23, 1984. The constituent assembly will be charged with writing the constitution. Once that is done the general elections are expected to be called.

I hope this information has clarified for you the Department's position towards events taking place in Guatemala. Considering the situation that country faced at the end of 1981, the Guatemalan government has made tremendous strides, not only in combatting the insurgency, but in bringing about a new hope for Guatemala's people who have suffered so much over the past years. Now that Guatemala is seeking our help in confronting its economic and social problems, we should be responsive. I look forward to working with you in this effort.

Sincerely,

THOMAS O. ENDERS.

D. QUESTIONS PROPOSED BY SENATOR HELMS TO HON. CHARLES CROCKER, ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS, WITH RESPONSES BY SECRETARY CROCKER

ZIMBABWE—RESPONSES TO SENATOR HELMS' QUESTIONS

Senator HELMS. Mr. Crocker are you familiar with the former Section 720 of the International Security and Development Cooperation Act of 1980, a section requiring reports on aid to Zimbabwe which was repealed in 1981? This section required the President to report to Congress every 60 days regarding the implementation of the Lancaster House Agreement Declaration of Rights.

Mr. CROCKER. We are familiar with that legislation; it required that the President report to the Congress every 60 days regarding Zimbabwe's adherence to the Lancaster House accord.

Senator HELMS. Do you think it would be a good idea to re-enact similar legislation in the light of current events in Zimbabwe?

Mr. CROCKER. We monitor events in Zimbabwe very closely and our conclusions are reflected in the annual human rights report and in periodic testimony by Administration officials before committees of the Congress. We do not believe that the submission of periodic written reports to the Congress would add to our effectiveness in addressing abuses of human rights through quiet diplomacy. With regard to current events in Zimbabwe, the Government is fully aware of our views and we continue to monitor the situation closely.

Senator **Helms**. Do you think that Prime Minister Mugabe's statements about the necessity of a one-party state are consistent with the view of Zimbabwe's future embodied in the Lancaster House Agreement.

Mr. **Crocker**. We continue to believe that the wisest course to long-term peace, stability and prosperity in Zimbabwe is that it continue as a multiparty democracy. Prime Minister Mugabe has publicly stated his own preference for a single party encompassing the whole Zimbabwe population. However, in stating his preference he has made it clear many times that this could only evolve in accordance with the provision of the Constitution of Zimbabwe. The Constitution agreed to by all parties to the Lancaster House negotiations contains very rigorous provisions for its amendment, and it would be only through amendment of that Constitution that a one-party state could legally be brought about. It is also possible that a coalition government or party merger could be negotiated without deviating from the Constitution.

Senator **Helms**. Do you think that the control of the major newspapers by the Newspaper Trust, which in turn is controlled by the government, is tantamount to a government-controlled press?

Mr. **Crocker**. The Zimbabwe Mass Media Trust has a 46 percent controlling interest in Zimbabwe Newspaper, Ltd., the publisher of the two major and two Sunday newspapers in the country. There is, however, no indications that Trust officials play a role in guiding editorial and news coverage or intervene in day-to-day newspaper operations. The editors of the papers appointed since the trust acquired control of the company reflect different views and come from different backgrounds. For example, the editors of the two dailies had connections with the ruling ZANU-PF party while the editor of one Sunday paper is a former ZAPU official and the editor of the other has no formal party links.

While there are instances where the hand of the GOZ can clearly be seen in reports and commentaries, the greatest problem facing the newspapers is the Government's unwillingness to cooperate with the press in providing confirmation or comment on events occurring in the country. The press will often not publish a story without the Government's confirmation or comment, a practice which was also observed by Rhodesian newspapers throughout the UDI period.

Senator **Helms**. Do you think that it is proper, in a period which is supposed to be a period of national reconciliation, to continue the war-time restrictions on civil rights imposed by the Smith administration during a period of terrorism and subversion?

Mr. **Crocker**. The Government of Zimbabwe (GOZ) has stated each time that the Law and Order (Maintenance) Act and the State of Emergency have come up for renewals that the security situation in the countryside does not yet warrant abandoning the emergency powers enacted during the UDI period. Under the Constitution drawn up at Lancaster House, the provision of existing legislation such as the Law and Order (Maintenance) Act and the State of Emergency may be maintained, if the House of Assembly so approves by resolution of more than one-half of its total membership. The Government has stated that it is committed to national reconciliation. There, nevertheless, continues to be armed opposition to the central authority and some emergency powers are obviously used by the Government in dealing with this security situation.

Where use of these powers has led to human rights abuses, we have made our concerns known to the GOZ. At the same time we are aware of the Government's view of the need to maintain law and order in the face of armed dissidence and the pressures on the Government from commercial farmers and others to do so.

Senator HELMS. How often are opposing political parities allowed to have public meetings or rallies? Do they require specific permission?

Mr. CROCKER. All political parites—government and opposition—must inform the authorities of their intention to hold public meetings or rallies. Unless the police or other competent local authority perceives an objection, the meeting may then be held. We understand that there are no restrictions on the number of such meetings. Decisions on applications appear to be based on the time and place of the meeting and the security situation prevailing in the area.

Senator HELMS. the Declaration of Rights signed at Lancaster House provides, among other things for the following:

> Article IX. It will be forbidden, except with the consent of the person concerned, to interfere with anybody's freedom of expression. This freedom will be defined as including freedom to hold opinions without interference, freedom to receive ideas and information without interference, freedom to communicate ideas and information without interference and freedom from interference with one's correspondence.
>
> Article X. It will be forbidden, except with the consent of the person concerned, to interfere with anybody's freedom of assembly and association. This freedom will be defined as the right of every person to assemble freely and associate with others and in particular to form or belong to political parties or to trade unions or other associations for the protection of his interest.

My friend, former Primer Minister Ian Smith, came to Washington last December, and spoke not only to members of the Senate but to members of the press. He made no statements critical of Mr. Mugabe, except for opposition to Mugabe's plans for a one-party Marxist state. Upon his return, he was detained, his house was searched without his permission, his mail was intercepted, and he is forbidden to leave the country. Do these actions seem to you to be in accord with the Zimbabwe Declaration of Rights?

Mr. CROCKER. The GOZ has stated that it believed Mr. Smith made subversive or seditious statements outside the country during his many meetings with American and British officials and in press interviews. The State of Emergency and the emergency powers which provide for detention, which have been "grandfathered" under the Lancaster House Constitution, provide for the abridgement or suspension of certain of the rights protected in the

Declaration of Rights and the Constitution. While in each instance the Zimbabwean authorities operated within the law and regulations in questioning Mr. Smith and searching his property, the pattern of activity against him could be interpreted as an intention to harass him and prevent him from making his opinions freely known, contrary to the spirit of the Declaration of Rights. Such actions are clearly not in accord with the Zimbabwe Constitution.

Senator HELMS. Wallace Stuttaford, a Member of the Zimbabwe Parliament and a member of Mr. Smith's party, met with eight leaders of black parties to discuss in private the trend towards a one-party state. He was subsequently arrested, his home searched without warrant, he was put in jail for a year, tortured according to affidavits, deprived of medicines necessary for his physical condition—all without charges being brought against him. Finally he was taken to court after a year of being held without charges. The government witnesses who had signed sworn statements against him recanted in court saying that they had been forced to swear falsely. Mugabe's own judge was forced to acquit him and award him damages, which were subsequently taken away by *ex post facto law*.

Do these seem to be in accord with the Declaration of Rights?

Mr. CROCKER. The overall handling of the Stuttaford case was not in accord with the Declaration of Rights and the charges of torture during his interrogation appear to be true as was stated in the 1982 Human Rights Report.

Senator HELMS. Mr. Dennis Walker, another member of Parliament and member of Mr. Smith's party, was out of the country at the time of Mr. Stuttaford's arrest. He played a role in alerting the world about the situation. He was told that if he returned, he too would be arrested. He returned clandestinely, for a short period, then appeared openly in Parliament. His house was searched illegally, and he fled the country and now lives in exile in England.

Does this seem to be in accord with the Declaration of Rights?

Mr. CROCKER. Mr. Walker reportedly left the country because he believed he would be arrested; he has also forfeited his seat in Parliament. It is difficult to say if there has been any violation of the Declaration of Rights in this instance since Mr. Walker's case has never been considered in a court of law.

Senator HELMS. Acting under laws that were meant for wartime emergencies, Mugabe passed a law that said that the property of anyone declared to be "an enemy of the people" would be confiscated. Within a month after the passage of this act, eight members of Mr. Smith's party in Parliament—eight of the twenty—withdrew and declared themselves independents. Naturally, they were large landholders. Do you think this sequence of events was an act of political intimidation in accord with the Declaration of Rights?

Mr. CROCKER. We believe the MPs who quit Mr. Smith's RF party are the best authorities on their motive for doing so. However, one independent member of Parliament has stated that those members of Parliament who resigned from the RF were not intimidated by the measures dealing with the confiscation of an enemy's property.

Senator HELMS. Mr. Stanley Malumisa, one of the organizers of the United Federal Party, a black party, was one of the witnesses who had been called against Mr. Stuttaford in October 1982. When the withdrew his perjured testimony, he was arrested and held without charges. What is the fate of Mr. Malumisa? Is this incident in accord with the Declaration of Rights? The other two witnesses who withdrew were Mr. Anthony Madhela and Mr. Nephat Madhela. What is their fate?

Mr. CROCKER. Our Embassy in Harare has been informed that, as of March 17, Messrs. Malumisa, and Anthony and Nephat Madhela remain in detention. While they have not been formally charged, we have been told that they have been informed of the reasons for their detention, as required by law. This information is not available to the public. The detention review tribunal will meet "soon" to consider whether it is necessary or appropriate for them to remain in detention. Their detention immediately after the Stuttaford trial appears to be in violation of the spirit, if not the letter, of the Zimbabwean Consititution.

Senator HELMS. Another section of the Declaration of Rights guarantees freedom of religion. One of Zimbabwe's best-known and most loved independent black evangelists is Pastor Musa (Ndabezinhle Musa). On January 3, Pastor Musa was arrested and held without charges. After a considerable uproar had been raised, he was released on January 13—which, incidentially, was the day before the end of the African-American Institute conference in Harare. Pastor Musa is a Matabele, which in Mugabe's eyes is the wrong black nation. He is also a convert from Communism, calling Marxism "an enemy of Christianity." Is this in accord with the Declaration of Rights?

Mr. CROCKER. The Rev. Musa was arrested after having been named by another prisoner as a recruiter of spies among disaffected former members of the UANC, the party of Bishop Muzorewa. He was released on January 12 when the allegation was proved to be without foundation.

Senator HELMS. Joshua Nkomo is not the sort of person I admire. I still remember his claiming credit for shooting down a civilian plane with a rocket. Nevertheless, he is an important political leader in Zimbabwe. Recently he was prevented from leaving the country; he and his people have been harrassed. This morning's paper reports that he is in hiding. Is this in accord with the Declaration of Rights?

Mr. CROCKER. Dr. Nkomo apparently believed that his life was in danger, and this belief led him first into hiding and then to flee the country. His driver was killed during the course of a police and army search at Nkomo's residence in the Bulawayo suburbs on March 5, and there are reports that officials of his party, ZAPU, have been arrested by GOZ officials. Some are alleged to have been killed by the Fifth Brigade. These actions are not in keeping with the Declaration of Rights or the Government's own avowed policy of reconcilation. We have made our concerns in this regard known to Zimbabwean officials at senior levels. Prime Minister Mugabe has said that Nkomo is welcome to return home at any time without fear of arrest.

Senator HELMS. How many persons are in detention without trial in Zimbabwe today?

Mr. CROCKER. Several opposition members of Parliament have asked the Minister of Home Affairs to provide figures for the number of persons being detained in Zimbabwe. He has repeatedly refused to do so, and our Embassy is unable to provide a figure.

Senator HELMS. You are asking for $75 million in Economic Support Funds. Will this money go to support the one-party Marxist system that Mugabe is building?

Mr. CROCKER. U.S. economic assistance to Zimbabwe is not designed or intended to support or reinforce the development of a one party Marxist system. Zimbabwe is and has been for a long time a mixed economy. Our assistance programs in Zimbabwe support the preservation of a mixed economy and seek to increase agricultural productivity of small scale and commercial farmers; expand employment opportunities in the private sectors and in rural areas; to stimulate and support new investment and private sector activity; and to broaden effective participation in the economy; without which the future of all private economic activity could be jeopardized. The $75 million in fiscal year 1983 will provide:

A commodity import program (CIP) of $36.7 million. Eighty (80) percent of the CIP is now allocated to private sector importers, providing the much needed foreign exchange to import parts, equipment and materials essential to maintain industrial and commercial farming output and to keep many private sector operations in business. The local currency generated by these funds is held in a special account and jointly programmed by AID and the GOZ for development activities. Many of these local currency funds go to support infrastructure (marketing depots, grain storage facilities and training institutions) which help the private sector assistance programs in education and agriculture. Funded at $15 million each, would support programs of policy reforms in these two critical sectors. At least 50 percent of the foreign exchange from these programs will be allocated to private sector imports. Local currency genertions would then be used to implement programs in pre-identified constraint areas. In agriculture the focus is on programs directed toward eliminating constraints which impede the productivity of farmers. These are: inadequate research, extension, credit, marketing, land and water-use, agricultural manpower and planning. In education the focus will be on implementing sector reforms that develop more cost efficient education methods in a system that remains based on largely private, community-managed schools.

$5.1 million will be provided to support Zimbabwe manpower training and the provision of short-term technical assistance. Much of the training provided will be for individuals who will return to teach in private and public training institutions. It is important to recall that after foreign exchange the single greatest impediment to the private sector's growth in Zimbabwe is the shortage of skilled manpower.

A $2.9 million community development project would focus on support for non-government organizations (NGO's) to provide a wide-range of services to the community. This project will develop closer linkages between U.S. private organizations (such as the YMCA) and local NGO's.

Finally, $300,000 is supporting the very successful efforts of the Private Adult Literacy Organization of Zimbabwe to expand its production of books and teaching materials to broaden the coverage of its adult literacy program.

The above programs continued in fiscal year 1984 and others supported with local currency generations all, in our view, have a private sector participatory orientation which emphasizes and promotes growth, equity, productivity and private enterprise.

Senator HELMS. What guarantees are there that this money will go to the private sector?

Mr. CROCKER. Of the $75 million requested for fiscal year 1984, it is planned that $35 million will be used to finance the importation of goods from the United States. As was the case under our 1982 CIP, the relevant agreements with the GOZ will require that a minimum of 80 percent of the funds be allocated for use by the private sector. Experience with our 1982 program has shown that the GOZ can effectively implement this requirement. Funds under the 1982 program have been allocated to import such goods as manufacturing equipment, computers, raw materials, agricultural tractors, combines, construction equipment, and equipment for the heavy transport industry.

The private sector has also benefitted from the importation of goods under the 20 percent allowed for the public sector. In most cases, the importation of the goods has been carried out by local dealers representing U.S. manufactueres in Zimbabwe. By increasing the holdings of their products in the country, the dealerships are strengthened, which in turn makes them more competitive with representatives of non-U.S. manufacturers. Another example is the allocation of $3.3 million to the Cotton Marketing Board (CMB), a quasi-public-sector organization, for the importation of high density cotton compressors and a complete cotton gin. The cotton gin and one compressor are to be installed in an area where the cotton is grown by private small-holder farmers. According to the CMB, over an 18-month period ending in August, 1982, the registration of small-holder farmers growing cotton jumped from approximately 46,000 to over 86,000. Without question, it can be said that the largest single group in the private sector is made up of small-holder farmers.

Senator HELMS. Will the money be routed through government agencies or through government credit allocations and controls?

Won't this method give Mugabe more leverage over the remnants of the private sector, making it impossible for them to support a political opposition? Does this make a mockery of private enterprise?

Mr. CROCKER. Under the CIP, the money set aside for the private sector will be allocated by the GOZ using its existing procedures for allocating foreign exchange. These procedures, using a committee system with five categories of import priorities, were put in place by the Smith government. Unchanged since independence, the system has been reviewed by USAID and the World Bank and found to be acceptable in implementing the respective programs of these agencies.

The allocation of public sector funds is coordinated by the Ministry of Finance, Economic Planning and Development. The IMF has recommended that the Government move away from exchange controls as soon as possible. However, with demands for foreign exchange far outstripping availability, it has been necessary for the Government to maintain an allocation system based on development priorities rather than consumer demand. The IMF has agreed. This exchange control procedure is similar to import management in most developing countries. There is no evidence that foreign exchange allocation under our program is being used in any political manner. A GAO team has just looked at the program and reported to our Embassy in Harare that it found the system to be satisfactory in approach and implementation.

Senator HELMS. There was a similar debate three years ago over giving aid to Nicaragua. It was argued then that it would support the private sector. I pointed out that it would strengthen socialism control. There are few who would argue that Nicaragua is in the hands of a Marxist-dominated government today. Do you see a parallel with Zimbabwe?

Mr. CROCKER. A close examination of the economic and social programs of the Mugabe government suggests a desire to balance the goals of equity and growth. Education and health programs have been reoriented to address the interests of the majority of Africans. There has been an espousal of support for small farmers and some non-utilized or under-utilized land has been distributed to peasants. We see in these developments a pattern not unlike that followed in other African nations after independence. The Mugabe government has adopted some measures such as minimum wage raises which worry the private sector. At the same time, voices calling for major programs of nationalization, expropriation and massive land resettlement have not been listened to by the Zimbabwe leadership. In the fields of monetary and fiscal policy, there is growing evidence of rational and sound policies aimed at maintaining business confidence and Zimbabwe's credit worthiness. There is little to suggest that a radical departure from this careful, balanced approach is imminent. Our assistance programs are consciously designed to bolster the Zimbabwe private sector and are much appreciated by both the business and official representatives and are [sic] frequently pointed to as models by others in the western donor community. In sum, while there may be parallels between some selected policies in Zimbabwe and those in Nicaragua or elsewhere in Africa, there has so far been a relatively positive policy climate supportive of a mixed economy and resistance to many counterproductive socialist dogmas that could have wrecked Zimbabwe's economy. Our programs, we believe, have strengthened the hand of those in Zimbabwe who wish to see its economy broadened and Africanized but not wrecked.

Senator HELMS. Do you think that aid to Zimbabwe should be conditioned upon progress towards strengthening multi-party democracy and free enterprise?

Do you think aid to Zimbabwe should be conditioned upon how well Zimbabwe is keeping to the Declaration of Rights?

Mr. CROCKER. The United States commitment to provide substantial assistance to Zimbabwe was made at the March 1981 Zimbabwe Conference on Reconstruction (ZIMCORD) and not at Lancaster House. The ZIMCORD pledge announced then indicated that the United States would pledge $75 million to Zimbabwe in fiscal year 1982 and similar amounts based on progress in that country and Zimbabwe's needs. The aid program in Zimbabwe is supporting free enterprise and democratization and is facilitating the private sector's role in the country's growth. Democracy should be measured at least in part in terms of individual freedom and participation. For instance, the agriculture sector in Zimbabwe has, since independence, been opened up to small, mostly African farmers to participate, as private enterpreneurs, in the economy as never before. Another example is education. Between 1979 and 1982 school enrollment increased from 85,000 to 2,122,000. In 1979 $530 of public funds were spent for the education of each white child versus $46 for each African child. This practice has ended. The Government has modified its initial policy of free education for all and has reinstituted a system of school fees. Ninety percent of the schools remain private, in that they are directed and managed by local communities, by parents and local authorities. The Government is actively following a policy of more decentralized community management in education. AID funds are supporting these developments within the school system.

Our aid program has assisted in seeing that more foreign exchange is channeled to the private sector in helping farmers participate in farming as individual enterpreneurs; in helping the Government to assist emerging small businessmen; in encouraging publication of a private investment code; and in developing systems to control public expenditure. We believe that our dialogue with Zimbabwe on development policy and, specifically, on our assistance programs affords us ample opportunity to make our views and priorities clearly known to the GOZ in a spirit of cooperation and mutual respect. We intend to continue along this track. We will also continue to make the obvious point that violations of human rights and individual freedoms place in jeopardy our ability to provide further assistance as the American people themselves lose confidence in the effectiveness of our cooperation with Zimbabwe.

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 20, 1983.

Hon. Charles H. Percy,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate on the International Security and Development Cooperation Act of 1983, as ordered reported by the Senate Committee on Foreign Relations on May 12, 1983.

Should the Committee so desire, we would be pleased to provide further detail on the attached cost estimate.

Sincerely,

James Blum,
(For Alice M. Rivlin, Director).

Congressional Budget Office, Cost Estimate

1. Bill number: Unassigned

2. Bill title: International Security and Development Cooperation Act of 1983.

3. Bill status: As ordered reported by the Senate Committee on Foreign Relations on May 12, 1983.

4. Bill purpose. This bill authorizes supplemental appropriations for fiscal year 1983 for certain foreign assistance programs and amends the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act to authorize appropriations and credit programs for fiscal year 1984 for security and development assistance programs, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1983	1984	1985	1986	1987
Authorization amount	242	7,231	100	100	100
Estimated outlays	99	3,337	1,770	806	645
Authorized loan guarantee commitments	343	4,656			
Estimated off-budget direct loan outlays	41	1,292	1,867	679	243

All costs for this bill fall within budget function 150.

Basis of Estimates: The estimate assumes enactment of this bill by June 30, 1983 and subsequent appropriation of the authorized amounts and provision for guaranteed loans within appropriations acts. The estimate further assumes that all limitations on obligations will be met and the appropriated funds will be obligated and disbursed. Outlays were estimated using historical spend-out rates for the various programs.

Section 101(a) and section 209(c) authorize loan guarantees for foreign military sales for fiscal years 1983 and 1984. The guaranteed loans are assumed to be provided in appropriation acts. The guarantees will be converted into off-budget direct loans through the purchase of guaranteed loans by the Federal Financing Bank. A one-time ¼ percent guarantee commitment fee must be paid to the Department of Defense and will be deposited in the Treasury as an offsetting receipt. The Federal Financing Bank charges ⅛ percent over Treasury interest rates for similar funds. The loans should generate less than $5 million per year in interest income for the Federal Financing Bank. The estimate assumes the guaranteed loans will be repaid in fifteen equal semi-annual installments except for $3.2 billion per year for countries permitted extended repayment terms under section 31 of the Arms Export Control Act, as amended by this bill. Loans to countries permitted extended repayments are assumed to begin principal repayment after 10 years grace.

Any defaults, late payments, or reschedulings of guaranteed loans authorized by sections 101 and 209 of this bill will be paid by the Guarantee Reserve Fund authorized under section 24(c) of the Arms Export Control Act. It is impracticable to estimate payments from the Guarantee Reserve Fund on guaranteed loans authorized by this bill. However, the Fund has been making net payments in excess of $100 million per year since it was established and net payments by the Fund are estimated to exceed $100 million per year for the next five years. The estimate assumes appropriations to the Fund of $100 million per year beginning fiscal year 1985, as authorized by section 211 of this bill. Outlays from the Guarantee Reserve Fund are not estimated to exceed baseline levels as a result of these appropriations until fiscal year 1988 when the existing resources of the Fund are estimated to be exhausted.

Section 203 of this bill amends section 21(a)(5) to place sales of training services on an incremental cost basis. Currently, countries receiving assistance through the international military education and training program are charged only incremental costs of training services; NATO countries, Japan, Australia, and New Zealand may have some indirect costs of training excluded if based on reciprocity; all other countries are charged full costs. Charges for indirect and fixed costs are used to reimburse Department of Defense appropriations of the services providing the training. Based on fiscal year 1982 programed training sales, moving to an incremental pricing policy for all training sales will reduce reimburements to the military service's appropriations by approximately $40 million per year.

Section 204 amends section 21(c) of the Arms Export Control Act to require the recovery of incremental instead of full costs of administrative services associated with foreign military sales as required by current law. The military services are reimbursed for their costs incurred in administering the foreign military sales program using budget guidance prepared by the Defense Security Assistance Agency (DSAA). DSAA guidance allows only incremental costs to be recovered by the military services. The Comptroller General has held (B-205888, February 2, 1982, Appendix II) that DSAA's decision to charge only the variable costs of the foreign military sales program is legally improper, and results in a subsidy "in the millions of dollars" that is borne by Department of Defense appropriations. Section 204 would legitimize the subsidy.

Section 222 amends current law concerning peacekeeping operations to provide the President with authority to draw upon commodities and resources of any agency to meet unforeseen emergencies at the rate of up to $10 million per year and authorizes the appropriation of such sums as may be necessary to reimburse the appropriation drawn upon. Since the authority is for unforeseen contingencies, it is impracticable to estimate the use of this authority and subsequent appropriations.

The Private Sector Revolving Fund authorized in section 405 is subject to subsequent appropriation action. The fund is to be capitalized by transfers from appropriations authorized under authority of Chapter 1, Part I of the Foreign Assistance Act of 1961. Obligations by the Fund are subject to limits provided in appropriations acts. The estimate assumes the creation of the revolving fund will not increase spending authority or outlays over amounts otherwise authorized by this bill.

The estimate assumes the additional $150 million in guarantee authority for the Housing Guarantee Program by section 411 of this bill will be provided in an appropriations act for fiscal year 1984 as requested by the President.

Section 502 concerning surplus food assistance will allow the Secretary of Agriculture to use the existing authority of the Commodity Credit Corporation (CCC) to dispose overseas surplus commodities acquired by the CCC under the provisions of the P.L. 480 program, without regard to the spending limitations on that program. Since the authority already exists and is discretionary, no additional costs are estimated as a result of enactment of this section.

6. Estimated cost to State and local governments: None
7. Estimate comparison: None
8. Previous CBO cost estimate: None
9. Estimate prepared by: Joe Whitehill.
10. Estimate approved by: James L. Blum, Assistant Director, for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with Rule XXIX of the Standing Rules of the Senate, the Committee has evaluated the regulatory impact of this bill and finds that its enactment would have no regulatory impact. This bill authorizes appropriations for security and development assistance programs for the Peace Corps, and for related agencies. The bill modifies provisions of the Foreign Assistance Act of 1961 and the Arms Export Control Act.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, now matter is printed in italic, existing law in which no change is proposed is shown in roman):

The Arms Export Control Act

Chapter 1—FOREIGN AND NATIONAL SECURITY POLICY OBJECTIVES AND RESTRAINTS

Section 1. The Need for International Defense Cooperation and Military Export Controls.—* * *

* * * * * * *

In recognition of the goals and policies set forth by this section, it is further the sense of the Congress that the President should initiate, through the North Atlantic Council or other appropriate committees of the North Atlantic Treaty Organization, discussions to limit the transfer by member countries of the North Atlantic Treaty Organization to developing countries of conventional arms with regard to the level of sophistication of such arms, with regard to the region of which the country eligible to receive certain arms is a part, and with regard to any other appropriate criterion for the limitation of such arms.

Chapter 2—FOREIGN MILITARY SALES AUTHORIZATIONS

Sec. 21. Sales From Stocks.—(a) The President may sell defense articles and defense services from the stocks of the Department of Defense to any eligible country or international organization if such country or international organization agrees to pay in United States dollars—

(1) in the case of a defense article not intended to be replaced at the time such agreement is entered into, not less than the actual value thereof;

(2) in the case of a defense article intended to be replaced at the time such agreement is entered into, the estimated cost of replacement of such article, including the contract or production costs less any depreciation in the value of such article; or

(3) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service, except that in the case of training [sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961], only those additional costs that are incurred by the United States Government in furnishing such training.

(b) Except as provided by subsection (d) of this section, payment shall be made in advance or, if the President determines it to be in the national interest, upon delivery of the defense article or rendering of the defense service.

(c)(1) Personnel performing defense services sold under this Act *or provided under the Foreign Assistance Act of 1961* may not perform any duties of a combatant nature, including any duties related to training and advising that may engage United States personnel in combat activities, outside the United States in connection with the performance of those defense services.

* * * * * * *

(e)(1) After September 30, 1976, letters of offer for the sale of defense articles or for the sale of defense services that are issued pursuant to this section or pursuant to section 22 of this Act shall include appropriate charges for—

(A) administrative services, calculated on an average percentage basis to recover full estimated costs *(which would not otherwise be incurred by the United States Government)* of administration of sales made under this Act to all purchasers of such articles and services;

* * * * * * *

[(g) The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94-106), and may enter into similar agreements with Japan, Australia, and New Zealand, for the cooperative furnishing of training on a bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate.]

(h) *(1)* The President is authorized to provide (without charge) quality assurance, inspection, and contract audit defense services under this section—

[(1)**]** *(A)* in connection with the placement or administration of any contrtact or subcontract for defense articles, defense services, or design and construction services entered into after the date of enactment of this subsection by, or under this Act on behalf of, a foreign government which is a member of the North Atlantic Treaty Organization, if such government provides such services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government; or

[(2)**]** *(B)* in connection with the placement or administration of any contract or subcontract for defense articles, defense services, or design and construction services pursuant to the North Atlantic Treaty Organization Infrastructure Program in accordance with an agreement under which the foreign governments participating in such program provide such services, without charge, in connection with similar contracts or subcontracts.

(2) In carrying out the objectives of this section, the President is authorized to provide (without charge) cataloging data and cataloging services to the North Atlantic Treaty Organization or to any member government thereof, if such Organization or member government provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.

* * * * * * *

Sec. 24. Guaranties.—(a) * * *

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(c) Funds obligated under this section before the date of enactment of the International Security and Department Cooperation Act of 1980 which constitute a single reserve for the payment of claims under guaranties issued under this section shall remain available for expenditure for the purposes of this section on and after that date. **[**The President shall report promptly to the Congress whenever the payment of a claim under any such guaranty reduces the total amount of funds in the single reserve under this subsection to an amount less than $750,000,000, together with his recommendations for the authorization of appropriations of additional funds for such reserve.**]** *Funds made available pursuant to section 31A shall be credited to such reserve, shall be merged with the funds in such reserve, and shall be available for any purpose for which funds in such reserve are available.* For purposes of any provision in this Act or any other Act relating to a prohibition or limitation on the availablity of funds under this Act, whenever a guaranty is issued under this section, the principal amount of the loan so guaranteed shall be deemed to be funds made available for use under this Act. Any guaranties issued hereunder shall be backed by the full faith and credit of the United States.

Sec. 25. Annual Estimate and Justification for Sales Program.—(a) No later than February 1 of each year *or, in the case of para-*

graph (4), no later than April 1 of each year, the President shall transmit to the Congress, as a part of the annual presentation materials for security assistance programs proposed for the next fiscal year, a report which sets forth—

* * * * * * *

[(4) an estimate with regard to the international volume of arms traffic to and from nations purchasing arms as set forth in paragraphs (1) and (2) of this subsection, together with best estimates of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries during the preceding fiscal year;]

(4) an estimate of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipients countries in the developing world during the preceding calendar year;

(5) an estimate of the aggregate dollar value and quantity of defense articles and defense services, military education and training, grant military assistance, and credits and guarantees, to be furnished by the United States to each foreign country and international organization in the next fiscal year, *together with the aggregate dollar value and quantity of defense articles and defense services furnished by the United States to each foreign country and international organization, by category, for the fiscal year ending the previous September 30, specifying whether they are furnished by sale under chapter 2 of this Act, by sale under chapter 2A of this Act, or by commercial sale licensed under section 38 of this Act, or by other authority;*

* * * * * * *

Sec. 26. Defense Requirement Surveys.—(a) The Congress finds that defense requirement surveys prepared by the United States for foreign countries have had a significant impact on subsequent military procurement decisions of those countries. It is the policy of the United States that the results of defense requirement surveys conducted by the United States clearly do not represent a commitment by the United States to provide any military equipment to any foreign country. Further, recommendations in such surveys should be consistent with the arms export control policy provided for in this Act.

(b) As part of the quarterly report required by section 36(a) of this Act, the President shall include a list of all defense requirement surveys authorized during the preceding calendar quarter, specifying the country with respect to which the survey was or will be conducted, the purpose of the survey, and the number of United States Government personnel who participated or will participate in the survey *and shall provide as an addendum to such quarterly report the text of all defense requirement surveys completed during the preceding calendar quarter.*

[(c) Upon a request of the chairman of the Committee on International Relations of the House of Representatives or the chairman of the Committee on Foreign Relations of the Senate, the President shall grant that committee access to defense requirement surveys conducted by United States Government personnel.]

* * * * * * *

Chapter 3—MILITARY EXPORT CONTROLS

Sec. 31.—Authorization and Aggregate Ceiling on Foreign Military Sales Credits.—(a) There is hereby authorized to be appropriated to the President to carry out [this Act $800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983] *the provisions of section 23 of this Act $1,315,000,000 for the fiscal year 1984.* Credits may not be extended under section 23 of this Act in an amount, and loans may not be guaranteed under section 24(a) of this Act in a principal amount, which exceeds any maximum amount which may be established with respect to such credits or such loan guarantees in legislation appropriating funds to carry out this Act. Unobligated balances of funds made available pursuant to this section are hereby authorized to be continued by appropriations legislation to carry out this Act.

(b)(1) The total amount of credits (or participations in credits) extended under section 23 of this Act shall not exceed [$800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983] *$1,315,000,000 for the fiscal year 1984.*

(2) The total principal amount of loans guaranteed under section 24(a) of this Act shall not exceed [$3,269,525,000 for the fiscal year 1982 and $3,269,525,000 for the fiscal year 1983] *$4,506,000,000 for the fiscal year 1984.*

(3) Of the aggregate total of credits (or participations in credits) under section 23 of this Act, and of the total principal amount of loans guaranteed under section 24(a) of this Act, [not less than $1,400,000,000 for the fiscal year 1982 and not less than $1,400,000,000 for the fiscal year 1983] *not less than $1,700,000,000 for the fiscal year 1984* shall be available only for Israel, of which not less than [$550,000,000 for each] *$850,000,000 for* such year shall be available as credits under section 23 of this act.

[(4) Of the amount available under paragraph (2) of this subsection for loan guaranties under section 24(a) of this Act, not less than $280,000,000 for fiscal year 1982 and not less than $280,000,000 for the fiscal year 1983 shall be available only for Greece.]

(4) Of the amounts available under paragraph (2) of this subsection for loan guaranties under section 24(a) of this Act, $500,000,000 shall be made available only for Greece for the fiscal year 1984. Of the amounts available under paragraph (2) of this subsection for loan guaranties under section 24(a) of this Act and under chapter 2 of Part II of the Foreign Assistance Act, a total amount of $715,000,000 shall be available only for Turkey. These amounts shall be available only in accordance with the statement of the Committee on Foreign Relations of the Senate in the report accompanying this Act.

(5) The principal amount of loans guaranteed under section 24(a) of this Act [for the fiscal year 1982 and for the fiscal year 1983] *for the fiscal year 1984* with respect to Egypt, Greece, *Korea,* Sudan, Somalia, and Turkey shall (if and to the extent each such

country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.

[(6) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $200,000,000 for each such year shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits.]

[(7) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $50,000,000 for each such year shall be available only for the Sudan, and the Sudan shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits.]

(6) Of the total amounts of credits (or participations in credits) extended under section 23 of this Act for the fiscal year 1984, Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits in an amount not less than $465,000,000. Of the aggregate total of credits (or participation in credits) under section 23 of this Act, and of the total principal amount of loans guaranteed under section 24(a) of this act, not less than $1,365,000,000 for fiscal year 1984 shall be available only for Egypt.

(c) Funds made available [for the fiscal year 1982 and for the fiscal year 1983] *for the fiscal year 1984* under subsection (a) of this section shall be obligated to finance the procurement of defense articles, defense services, and design and construction services by Israel on a long-term repayment basis either by the extension of credits, without regard to the limitation contained in section 23, or by the issuance of guaranties under section 24. Repayment shall be in not less than twenty years, following a grace period of ten years on repayment of principal. Israel shall be released from [$550,000,000] *$850,000,000* of its contractual liability to repay the United States Government with respect to defense articles, defense services, and design and construction services so financed for [each] such year.

* * * * * * *

Sec. 31A. Guaranty Reserve Fund.—There are authorized to be appropriated to the President for each fiscal year beginning with the fiscal year 1985 such sums as may be necessary but not to exceed $100,000,000 to maintain adequate reserves in the Guaranty Reserve Fund against defaults and rescheduling of outstanding loans guaranteed pursuant to the provisions of section 24(a) of this Act.

* * * * * * *

Sec. 36. Reports on Commercial and Governmental Military Experts; Congressional Action.—(a) * * *

* * * * * * *

(5) projections of the dollar amounts, by foreign country and international organization, of cash sales expected to be made under sections 21 and 22 [credits to be extended under section 23, and guaranty agreements to be made under section 24] in the quarter

of the fiscal year immediately following the quarter for which such report is submitted;

(6) a projection wiht respect to all cash sales expected to be made [and credit expected to be extended] to each country and organization for the remainder of the fiscal year in which such report is transmitted;

* * * * * * *

(b)(1) In the case of any letter of offer to sell any defense articles or services under this Act for $50,000,000 or more, any design and construction services for $200,000,000 or more, or any major defense equipment for $14,000,000 or more, before such letter of offer is issued, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a numbered certification with respect to such offer to sell containing the information specified in clauses (i) through (iv) of subsection (a), or (in the case of a sale of design and construction sevices) the information specified in clauses (A) through (D) of paragraph (9) of subsection (a), and a description, containing the information specified in paragraph (8) of subsection (a), of any contribution, gift, commission, or fee paid or offered or agreed to be paid in order to solicit, promote, or otherwise to secure such letter of offer. Such numbered certifications shall also contain an item, classified if necessary, identifying the sensitivity of technology contained in the defense articles, defense services, or design and contruction services proposed to be sold. In addition, the President shail, upon the request of such committee or the Committee on International Relations of the House of Representatives, transmit promptly to both such committees a statement setting forth, to the extent specified in such request—

* * * * * * *

(5) Each numbered certification required under paragraph (1) shall contain a detailed and specific description of the models and types of any defense equipment, defense articles, or defense services containing sensitive technology to be offered or sold. In the event of a proposal to provide major defense equipment, defense articles, or defense services which have a significantly greater capability or which contain significantly more sensitive technology than that of the major defense equipment, defense articles, or defense services described in the original numbered certification, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which shall be treated for the purposes of this subsection as if it were a separate letter of offer to sell major defense equipment, defense articles, or defense services subject to all of the requirements, restrictions and conditions set forth in this subsection for any letter of offer to sell any defense articles or defense sevices under this Act for $50,000,000 or more, any design or construction services for $200,000,000 or more, or any major equipment for $14,000,00 or more. The Committee on Foreign Affairs of the House of Representatives or the Committee on Foreign Relations of the Senate may from time to time require new numbered certification on other proposals to upgrade major defense equipment, defense

articles, or defense services provided for in this section if either determines that the upgrade constitutes a significantly greater capability or contains significantly more sensitive technology than described in the original numbered certification.

* * * * * * *

Sec. 38. Control of Arms Exports and Imports.—(a)(1) * * *

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(c) Any person who willfully violated any provision of this section or section 39, or any rule or regulation issued under either section, or who willfully, in a registration or license application or required report, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined **[**not more than $100,000 or imprisoned not more than two**]** *for each violation not more than $1,000,000 or imprisoned not more than ten* years, or both.

* * * * * * *

(e) In carrying out functions under this section with respect to the export of defense articles and defense services, the President is authorized to exercise the same powers concerning violations and enforcement which are conferred upon departments, agencies and officials by subsections (c), (d), (e), and (f) of section 11 of the Export Administration Act of 1979, and by subsections (a) and (c) of section 12 of such Act, subject to the same terms and conditions as are applicable to such powers under such Act. Nothing in this subsection shall be construed as authorizing the withholding of information from the Congress. *Notwithstanding section 11(c) of the Export Administration Act of 1979, the civil penalty for each violation involving controls imposed on the export of defense articles and defense services under this section may not exceed $500,000.*

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Chapter 4—GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS

* * * * * * *

Sec. 42. General Provisions.—(a)* * *

* * * * * * *

[(c) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world, which outweigh the economic or other advantages to the United States of less costly procurement outside the United States.**]**

(c) None of the funds or guaranties made available under this Act may be used for procurement outside the United States unless the

President certifies to the Congress that the national interest of the United States will be furthered by such procurement.

* * * * * * *

Sec. 43. Administrative Expenses.—(a) Funds made available under other law for the operations of United States Government agencies carrying out functions under this Act shall be available for the administrative expenses incurred by such agencies under this Act.

(b) Charges for administrative services calculated under section 21(e)(1)(A) of this Act shall include recovery of administrative *and extraordinary* expenses incurred by any department or agency of the United States Government, including any mission or group thereof, in carrying out functions under this Act when—

(1) such functions are primarily for the benefit of any foreign country; and

(2) such expenses are not directly and fully charged to, and reimbursed from amounts received for, sale of defense services under section 21(a) of this Act.

[(c) * * * [Repealed—1981]]

(c) Notwithstanding subsection (b), for any fiscal year not more than $150,000 of expenses attributable to representational activities in connection with the sale of defense articles, defense services, and design and construction services under this Act may be recovered by the charges described in this section.

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The Foreign Assistance Act of 1961, as Amended

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Chapter 1—Policy; Development Assistance Authorizations

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Sec. 103. Agriculture, Rural Development, and Nutrition.—(a)(1) * * *

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(2) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, [$700,000,000 for the fiscal year 1982 and $700,000,000 for the fiscal year 1983] *$728,000,000 for the fiscal year 1984,* of which up to $1,000,000 for each such fiscal year shall be available only to carry out section 316 of the International Security and Development Cooperation Act of 1980. Amounts appropriated under this section are authorized to remain available until expended.

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Sec. 104. Population and Health.—(a) FINDINGS.—* * *

* * * * * * *

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[(1) $211,000,000 for the fiscal year 1982 and $211,000,000 for the fiscal year 1983 to carry out subsection (b) of this section; and

[(2) $133,405,000 for the fiscal year 1982 and $133,405,000 for the fiscal year 1983 to carry out subsec. (c) of this section.]

(1) $232,000,000 for the fiscal year 1984 to carry out subsection (b) of this section; and

(2) $142,000,000 for the fiscal year 1984 to carry out subsection (c) of this section.

Of the funds appropriated for [each of the fiscal years 1982 and 1983] *the fiscal year 1984* to carry out subsection (b) of this section, not less than 16 percent or $38,000,000, whichever amount is less, shall be available only for the United Nations Fund for Population Activities.

Funds appropriated under this subsection are authorized to remain available until expended.

Sec. 105 Education and Human Resources Development.—(a) In order to reduce illiteracy, to extend basic education, and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may detemine, for education, public administration, and human resource development. There are authorized to appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes [$103,600,000 for the fiscal year 1982 and $103,600,000 for the fiscal year 1983], *$121,477,000 for the fiscal year 1984,* which are authorized to remain available until expended. [For each of the fiscal years 1982 and 1983, the President shall use not less than $4,000,000 of the funds made available for the purposes of this section to finance scholarships for undergraduate or professional education in the United States for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate undergraduate or professional education except that up to $1,000,000 of the funds made available for each such fiscal year under chapter 4 of part II of this Act for southern African regional programs may be used to finance such scholarships in lieu of an equal amount under this section.] *For fiscal year 1984, the President shall use not less than $5,000,000 of the funds made available for the purposes of this section for education assistance to educationally disadvantaged South Africans including scholarships for South African students who have been denied fair access to educational opportunties because of apartheid. Such scholarships shall be made available at the undergraduate level directly to students without regard to the ethnic designation of universities in South Africa to which they are assigned by South African law. Undergraduate education in the United States shall normally be limited to fields in which students are prohibited from obtaining education in such fields within the Republic of South Africa.*

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Sec. 106. Energy, Private Voluntary Organizations, and Selected Development Activities.—(a)(1)(A) * * *

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[(b)(1)(B) Of the funds made available to carry out this section, up to $7,000,000 for the fiscal year 1981 shall be used for purposes of paragraph (A) to facilitate geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves in developing countries which are not members of the Organization of Petroleum Exporting Countries.]

* * * * * * *

(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes [$147,200,000 for the fiscal year 1982 and $147,200,000 for the fiscal year 1983], *$181,400,000 for the fiscal year 1984.*

(2) Amounts appropriated under this section are authorized to remain available until expended.

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[**Sec. 108. Application of Existing Provision.**—* * * [Repealed—1978]]

Sec. 108. Private Sector Revolving Fund.*—(a) The Congress finds that the development of private enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stabilty of a free, open, and equitable international economic system. It is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process. In order to promote such private sector development, the President is authorized to establish a revolving fund account in the United States Treasury. All funds deposited in such account shall, notwithstanding any provision in an appropriation Act to the contrary, be free from fiscal year limitations.*

(b)(1) Of the funds made available under this chapter for the fiscal year 1984, up to $20,000,000 may be deposited in this account. Such funds used in accordance with the policies and authorities of this section shall be in addition to other funds available for private sector activities under other authorities in this Act. Any reflows and income arising from activities carried out pursuant to this section, including loan repayments and fee income (as provided in subsection (f) of this section) shall be deposited into the revolving fund and shall remain available to carry out the purposes of this section. All funds in such account may be invested in obligations of the United States.

(2) Obligations of funds from the revolving fund are authorized for any fiscal year only to the extent or in such amounts as provided in advance in appropriation Acts.

(c) Notwithstanding any other provision of law and on such terms and conditions as it may determine, the agency primarily responsible for administering this part is authorized to use the funds maintained in this revolving fund account to furnish assistance in furtherance of the policy of subsection (a).

(d) At the end of any fiscal year, the agency primarily responsible for administering this part may determine that amounts in the revolving fund are sufficient to permit the remittance to the United

States Treasury of an amount equal to a portion or the total amount of appropriated funds deposited in the revolving fund. Any such remittance shall be deemed to be a decrease in the appropriated funds in the revolving fund. After remittance has been made of an amount equal to the total amount of appropriated funds, the revolving fund shall consist and be deemed to consist entirely of nonappropriated funds.

(e) At the end of any fiscal year the total amount of funds contained in the revolving fund shall not exceed $100 million.

(f) A fee may be charged, where appropriate, in carrying out activities with funds from the revolving fund authorized in this section. The amount of any such fee shall be determined by the agency primarily responsible for administering this part.

(g) In the event the revolving fund is terminated, all unobligated money in the fund at the time of such termination shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

(h) As part of its annual congressional presentation materials submitted to the Congress, the agency primarily responsible for administering this part shall include a detailed description of all projects proposed to be funded from the revolving fund for that fiscal year. To the extent that projects are proposed for funding which are not contained in the annual congressional presentation materials, and which exceed $1 million in new obligations, notification to the Congress will be provided in accordance with the provisions of section 634A of this Act.

(i) Not later than October 31, of each year, the President shall submit to the Congress a comprehensive report which details all projects funded during the preceding fiscal year, all reflows to the revolving fund, a status report on all projects currently contained in the revolving fund's portfolio. Such reports shall include, but not be limited to, information regarding numbers and kinds of beneficiaries reached, amounts and kinds of benefits provided by the funded projects to targeted populations, and a justification for projects within the context of the goals and objectives of the development assistance program.

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Sec. 113. Integrating Women Into National Economies.—(a) * * *

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(c) Not less than $500,000 of the funds made available under this chapter for the fiscal year [1982] *1984* shall be expended on international programs which support the original goals of the United Nations Decade for Women.

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[**Sec. 119. Renewable and Unconventional Energy Technologies.**—* * * [Repealed—1980]]

Sec. 119. Endangered Species.*—(a) The Congress finds the survival of many animal and plant species is endangered by over-hunting, by the presence of toxic chemicals in water, air, and soil, and by the destruction of habitats. The Congress further finds that the extinction of animal and plant species is an irreparable loss with poten-*

tially serious environmental and economic consequences for developing and developed countries alike. Accordingly, the preservation of animal and plant species through the regulation of the hunting and trade in endangered species, through limitations on the pollution of natural ecosystems, and through the protection of wildlife habitats should be an important objective of the United States development assistance.

(b) In order to preserve biological diversity, the President is authorized to furnish assistance under this part to assist countries in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs. Special efforts should be made to establish and maintain wildlife sanctuaries, reserves, and parks; to enact and enforce anti-poaching measures; and to identify, study, and catalog animal and plant species, especially in tropical environments.

(c) The Administrator of the Agency for International Development, in conjunction with the Secretary of State, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality, and the heads of other appropriate Government agencies, shall develop a United States strategy, including specific policies and programs, to protect and conserve biological diversity in developing countries.

(d) Each annual report required by section 634 (a) of this Act shall include, in a separate volume, a report on the implementation of this subsection. Not later than one year after the date of enactment of this section, the President shall submit a comprehensive report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on the United States strategy to protect and conserve biological diversity in developing countries.

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Sec. 121. Sahel Development Program—Implementation.—(a) * * *

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(c) There are authorized to be appropriated to the President for purposes of this section beginning in the fiscal year 1978, in addition to funds otherwise available for such purposes, $200,000,000, except that not to exceed $50,000,000, may be appropriated under this section for this fiscal year 1978. In addition to the amount authorized in the preceding sentence and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $25,000,000. In addition to the amounts authorized in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section [$86,558,000 for the fiscal year 1982 and $86,558,000 for the fiscal year 1983] *$95,000,000 for the fiscal year 1984.* Amounts appropriated under this section are authorized to remain available until expended.

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Sec. 123. Private and Voluntary Organizations and Cooperatives in Overseas Development.—(a) * * *

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[(f) For each of the fiscal year 1982, 1983, and 1984, funds in an amount not less than twelve percent of the aggregate amount appropriated for that fiscal year to carry out sections 103(a), 104(b), 104(c), 105, 106, 121, and 491 of this Act shall be made available for the activities of private and voluntary organizations, and the President shall seek to channel funds in an amount not less than sixteen percent of such aggregate amount for the activities of private and voluntary organizations.]

(f) Not less than 15 percent of the aggregate amount appropriated for any fiscal year to carry out sections 103(a), 104(b), 104(c), 105, 106, 121, and 491 of this Act shall be made available for the activities of private voluntary organizations. Funds made available under section 531 of this Act to private voluntary organizations may also be considered in determining compliance with the requirements of this provision.

*   *   *   *   *   *   *

[**Sec. 128. Targeting Assistance for Those Living in Absolute Poverty.**—In carrying out this chapter, the President in fiscal year 1983, shall attempt to use not less than 40 per centum of the funds made available to carry out this chapter to finance productive facilities, goods, and services which will expeditiously and directly benefit those living in absolute poverty (as determined under the standards for absolute poverty adopted by the International Bank for Reconstruction and Development and the International Development Association). Such facilities, goods, and services may include for example, irrigation facilities, extension services, credit for small farmers, roads, safe drinking water supplies, and health services. Such facilities, goods, and services may not include studies, reports, technical advice, consulting services, or any other items unless (A) they are used primarily by those living in absolute poverty themselves, or (B) they constitute research which produces or aims to produce techniques, seeds, or other items to be primarily used by those living in absolute poverty. Research shall not constitute the major part of such facilities, goods, and services.]

***Sec. 128. Targeted Assistance.**—(a) The President shall use poverty measurement standards, such as those developed by the International Bank for Reconstruction and Development and other appropriate measurements in determining target populations for United States development assistance, and shall strengthen United States efforts to assure that a substantial percentage of development assistance under this chapter directly improves the lives of the poor majority, with special emphasis on those individuals living in absolute poverty.*

(b) To the maximum extent possible, activities under this chapter that attempt to increase the institutional capabilities of private organizations or governments and to stimulate scientific and technological research shall be designed and monitored to ensure that the ultimate beneficiaries of these activities are the poor majority.

***Sec. 129. Development Assistance for Pakistan.**—Notwithstanding any other provision of law, there are authorized to be appropriated for Pakistan, an amount not to exceed $25,000,000, which shall be used for the purposes of this chapter.*

Chapter 2—Other Programs

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Title II—American Schools and Hospitals Abroad; Prototype Desalting Plant

Sec. 214. American Schools and Hospitals Abroad.—(a) * * *

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(c) To carry out the purposes of this section, there are authorized to be appropriated to the President [$20,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983] *$30,000,000 for the fiscal year 1984,* which are authorized to remain available until expended.

* * * * * * *

Title III—Housing and Other Credit Guaranty Programs

Sec. 221. Housing Guaranties.—The Congress recognizes that shelter [requirements are], *including essential urban development services, is* among the most fundamental of human needs. Shelter for most people in the developing countries consists largely of domestic materials assembled by local labor. While recognizing that most financing for such housing *shelter* must come from domestic resources, the Congress finds that carefully designed programs involving United States capital and expertise can increase tha availability of domestic financing for improved housing *shelter* and related services for low-income people by demonstrating to local entrepreneurs and institutions that providing low-cost housing *shelter* can be financially viable. The Congress reaffirms, therefore, that the United States should continue to assist developing countries in marshalling resources for low-cost housing *shelter.* Particular attention should be given to programs which will support pilot projects for low-cost shelter or which will have a maximum demonstration impact on local institutions and national policy. The Congress declares that the long run goal of such programs should be to develop domestic construction capabilities and to stimulate local credit institutions to make available domestic capital and other management and technological resources required for effective low-cost shelter programs and policies.

Sec. 222. Authorization.—(a) To carry out the policy of section 221, the President is authorized to issue guaranties to eligible investors (as defined [in section 238(c)] *by regulation adopted by the agency primarily responsible for administering this part)* assuring against losses incurred in connection with loans made for projects meeting the criteria set forth in section 221. The total principal amount of guaranties issued under this title or heretofore issued under prior housing guaranty authorities, which are outstanding at any one time, shall not exceed [$1,718,000,000] *$1,868,000,000. Commitments to guarantee loans are authorized for any fiscal year only to such extent or in such amounts as are provided in appropri-*

ation acts. The authority of this section shall continue through September 30, [1984] *1985.* The President may issue regulations from time to time with regard to the terms and conditions upon which such guaranties shall be issued and the eligibility of lenders.

* * * * * * *

Sec. 222A. Agricultural and Productive Credit and Self-Help Community Development Program.—(a) * * *

* * * * * * *

(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $20,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization. *Commitments to guarantee loans are authorized for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.*

* * * * * * *

[(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.]

* * * * * * *

(h) The authority of this section shall continue through September 30,[1983] *1984.*

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Sec. 223. General Provisions.—(a) * * *

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[(f) In the case of any loan investment guaranteed under section 222, the agency primarily responsible for administering part I shall prescribe the maximum rate of interest allowable to the eligible investor, which maximum rate shall not exceed by more than 1 per centum the then current rate of interest applicable to housing mortgages insured by the Department of Housing and Urban Development. The maximum allowable rate of interest under this subsection shall be prescribed by the agency as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the agency may amend such rate at its discretion, consistent with the provisions of subsection (f).]

(f) In the case of any loan investment guaranteed under section 222, the agency primarily responsible for administering this part shall prescribe, in consultation with the Secretary of the Treasury, the maximum rate of interest allowable to the eligible investor. Such rates of interest shall be reasonable in comparison to the rates on comparable securities in the United States capital market.

* * * * * * *

Sec. 299A. Surplus Food Assistance.—Agricultural commodities (as defined in section 402 of the Agricultural Trade Development and Assistance Act of 1954) acquired by the Commodity Credit Corporation through price support operations, which the Secretary of Agriculture determines meet the criteria specified in section 416(a) of the Agriculture Act of 1949 may be furnished by the Secretary of Agriculture in consultation with the Secretary of State for carrying out the provisions of title II of the Agricultural Trade Development and Assistance Act of 1954. The provisions of section 203 of that Act shall apply to commodities furnished under this section. The cost of commodities furnished under this section and expenses incurred under section 203 of that Act in connection therewith shall be in addition to the level of assistance programed under that Act for purposes of provisions relating to classification of expenditures.

Chapter 3.—International Organizations and Programs

* * * * * * *

[**Sec. 302. Authorization.**—(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $218,600,000 for the fiscal year 1982 and $218,600,000 for the fiscal year 1983. Of the funds appropriated under this paragraph for each of the fiscal years 1982 and 1983. (A) not less than 19.6 percent or $45,000,000, whichever amount is less, shall be available only for the United Nations Children's Fund, (B) not less than 59.5 percent or $134,500,000, whichever amount is less, shall be available only for the United Nations Development Fund, (C) not less than 4.4 percent or $10,000,000, whichever amount is less, shall be available only for the United Nations Environment Fund, (D) not less than 0.159 percent or $400,000, whichever amount is less, shall be available only for the United Nations Trust Fund for Southern Africa, and (E) not less than 0.196 percent or $500,000, whichever amount is less, shall be available only for the United Nations Institute for Training and Research.]

Sec. 302. ***Authorization.****—(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $264,000,000 for the fiscal year 1984. Of the funds appropriated under this paragraph for the fiscal year 1984—*

(A) not less than 60.6 percent or $160,000,000, whichever amount is less, shall be available only for the United Nations Development Program;

(B) not less than 19.7 percent or $52,000,000, whichever amount is less, shall be available only for the United Nations Children's Fund;

(C) not less than 7 percent or $18,500,000, whichever amount is less, shall be available only for the International Atomic Energy Agency;

(D) not less than 5.9 percent or $15,500,000, whichever amount is less, shall be available only for the Organization of American States Development Program;

(E) not less than 3.8 percent or $10,000,000, whichever amount is less, shall be available only for the United Nations Environment Program;

(F) not less than 0.8 percent or $2,300,000, whichever amount is less, shall be available only for the World Meteorological Organization Voluntary Cooperation Program;

(G) not less than 0.7 percent or $2,000,000, whichever amount is less, shall be available only for the United Nations Capital Development Fund;

(H) not less than 0.4 percent or $1,000,000, whichever amount is less, shall be available only for the United Nations Trust Fund for South Africa;

(I) not less than 0.4 percent or $1,000,000, whichever amount is less, shall be available only for the United Nations Voluntary Fund for the Decade for Women;

(J) not less than 0.2 percent or $500,000, whichever amount is less, shall be available only for the United Nations Fellowship Program;

(K) not less than 0.2 percent or $500,000, whichever amount is less, shall be available only for the United Nations Institute for Training and Research;

(L) not less than 0.2 percent or $500,000, whichever amount is less, shall be available only for the United Nations Research Institute for Social Development;

(M) not less than 0.1 percent or $250,000 whichever amount is less, shall be available only for the United Nations Trust Fund for South Africa; and

(N) not less than 0.1 percent or $150,000 whichever amount is less, shall be available only for the Convention on Trade in Endangered Species.

* * * * * * *

(d) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this section shall be made available for the United States proportionate share for any programs for the Palestine Liberation Organization, the South West Africa Peoples Organization, Cuba, or Iran.

* * * * * *

[(b)(1) There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes, for use beginning in the fiscal year 1969, $61,220,000. Such amounts are authorized to remain available until expended.

[(2) There is authorized to be appropriated to the President for grants for Indus Basin Development in addition to any other funds available for such purposes, for use in the the fiscal year 1974, $14,500,000, and for use in the fiscal year 1975, $14,500,000, and for use beginning in the fiscal year 1976, $27,000,000, which amounts shall remain available until expended. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provisions of this Act.]

* * * * * *

[(i) In addition to amounts otherwise available under this section there are authorized to be appropriated for fiscal year 1976 $1,000,000 and for fiscal year 1977 $2,000,000 to be available only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear missile facilities and materials. Amounts appropriated under this subsection are authorized to remain available until expended.]

* * * * * *

Chapter 8—International Narcotics Control

Sec. 481. International Narcotics Control.—(a) It is the sense of the Congress that effective international cooperation is necessary to put an end to the illicit production, smuggling, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation, the President is authorized to conclude agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotic analgesics, including opium and its derivatives, other narcotic drugs and psychotropics, and other controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970. Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization on such terms and conditions as he may determine, for the control of, the production of, processing of, smuggling of, and traffic in, narcotic and psychotropic drugs. [The President shall suspend economic and military assistance furnished under this or any other Act, and shall suspend sales under the Foreign Military Sales Act and under title I of the Agricultural Trade Development and Assistance Act of 1954, with respect to any country when the President determines that the government of such country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, form being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from entering the United States unlawfully. Such suspension shall continue until the President determines that the government of such country has teken adequate steps to carry out the purposes of this chapter.] *Notwithstanding any other provision of law, the President shall suspend all United States assistance to any country when the President determines that the government of such country has failed to take adequate measures to prevent narcotic drugs or other controlled substances cultivated or produced or processed illicitly, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being smuggled into the United States. Such prohibition shall continue in force until the President determines and reports to the Congress in writing that—*

(1) the government of such country has prepared, presented, and committed itself to a plan providing for the control, reduction, and gradual elimination of the illicit cultivation, production, processing, transportation, and distribution of narcotic drugs and other controlled substances within an explicitly

stated period of time, with implementation commencing prior to the renewal of assistance to such country; and

(2) the government of such country has taken legal and law enforcement measures to enforce effective suppression of the illicit cultivation, production, processing, transportation, and distribution of narcotic drugs and other controlled substances.

(b) As used in subsection (A)—

(1) the term "United States assistance" shall be deemed to mean any assistance of any kind excepting food, medicine, or disaster relief assistance provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentally of the United States Government to any foreign country, including—

(A) assistance under this Act (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotics control assistance);

(B) sales, credits and guarantees under the Arms Export Control Act;

(C) sales under title I and title III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

(D) financing programs of the Commodity Credit Corporation for export of nonfood commodities;

(E) financing under the Export-Import Bank Act of 1945;

(F) assistance under the Migration and Refugee Assistance Act of 1962;

(G) programs under the Peace Corps Act;

(H) assistance under the Inter-American Foundation Act; and

(I) assistance under the Mutual Education and Cultural and Exchange Act of 1961;

(2) the term "adequate measures" shall be deemed to mean those actions which result in tangible, significant, and substantial reductions in the illicit cultivation, production, processing, transportation, and distribution of narcotic drugs and other controlled substances;

(3) the terms "narcotic drugs" and other "controlled substances" shall be defined in accordance with applicable international narcotics control agreements and the domestic laws of the country or countries subject to the provisions of section 481; and

(4) the term "legal and law enforcement measures" shall be deemed to mean the enactment and implementation of laws and regulations or the implementation of existing laws and regulations to provide for the progressive control, reduction, and gradual elimination of the illicit cultivation, production, processing, transportation and distribution of narcotic drugs and other controlled substances. "Legal and law enforcement measures" shall also be deemed to mean the effective organization, staffing, equipping, funding, and activation of those governmental authorities responsible for narcotics control.

(c) Notwithstanding any other provision of this or any other Act, all United States assistance to any country shall be terminated by the President if the Congress so directs by a concurrent resolution stating that such country is substantially in violation of the provisions of section 481. Such termination to be effective on the date of adoption of such concurrent resolution.

⟦(b)⟧*(d)* (1) Not later than forty-five days after the date on which each calendar quarter of each year ends, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programing and obligation, on a calendar quarter basis, of funds under this chapter prior to such date.

(2) Not later than forty-five days after the date on which the second calendar quarter of each year ends and not later than forty-five days after the date on which the fourth calendar quarter of each year ends, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed semiannual report on the activities and operations carried out under this chapter prior to such date. Such semiannual report shall include, but shall not be limited to—

(A) the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter; and

(B) the aggregate of obligations and expenditures made, and the types and quantity of equipment provided, on calendar quarter basis, prior to such date—

(i) to carry out the purposes of this chapter with respect to each country and each international organization receiving assistance under this chapter including the cost of United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

(ii) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

(iii) for administrative support services within the United States to carry out the purposes of this chapter, including cost of United States personnel engaged in carrying out such purposes in the United States.

⟦(c)⟧*(e)* (1) Notwithstanding any other provision of law, no officer or employee of the United States may engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts. No such officer or employee may interrogate or be present during the interrogation of any United States person arrested in any foreign country with respect to narcotics control efforts without the written consent of such person. The provisions of this paragraph shall not apply to the activities of the United States Armed Forces in carrying out their responsibilities under applicable Status of Forces arrangements.

(2) * * * [Repealed—1981]

⟦(d)⟧*(f)* (1) The Secretary of State shall inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter.

(2) The Secretary of Health and Human Services shall monitor the impact on the health of persons who may use or consume marihuana of the spraying of a herbicide to eradicate such marihuana in a program receiving assistance under this chapter, and if the Secretary determines that such persons are exposed to amounts of such herbicide which are harmful to their health, the Secretary shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations the Secretary may have.

(3) Of the funds authorized to be appropriated for the fiscal year 1982 under section 482, the President is urged to use not less than $100,000 to develop a substance that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such person.

(4) If the Secretary of Agriculture determines that a substance has been developed that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such persons, such substance shall be used in conjunction with the spraying of paraquat or such other herbicide in any program receiving assistance under this chapter.

⟦(e)⟧ *(g)* Not later than February 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the status of the United States policy to establish and encourage an international strategy to prevent the illicit production of and to interdict an intercept trafficking in narcotics *and with respect to those countries for which the President has requested United States assistance for the following fiscal year and which are illicit exporters of narcotic drugs or other controlled substances, the legal or law enforcement measures planned and implemented by such countries to control and reduce and gradually to eliminate the illicit cultivation or production or processing or transportation or distribution of narcotic drugs or other controlled substances.*

Sec. 482. Authorization.—(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President ⟦$37,700,000 for the fiscal year 1982 and $37,700,000 for the fiscal year 1983⟧ *$53,030,000 for the fiscal year 1984.*

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Chapter 9—International Disaster Assistance

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Sec. 492. Authorization.—(a) There is authorized to be appropriated to the President to carry out section 491,⟦$27,000,000 for the fiscal year 1982 and $27,000,000 for the fiscal year 1983⟧ *$25,000,000 for the fiscal year 1984.* Amounts appropriated under this section are authorized to remain available until expended.

* * * * * * *

[**Sec. 495D. Romanian Relief and Rehabilitation.**—(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from recent earthquakes in Romania, authorizes the President to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other earthquake victims in Romania.

[(b) There are hereby authorized to be appropriated to the President for the fiscal year 1977, notwithstanding any other provisions of this Act, in addition to amounts otherwise available for such purposes, not to exceed $20,000,000, which amount is authorized to remain available until expended.

[(c) Assistance under this section shall be provided in accordance with the policies and general authority contained in section 491.

[(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Romania may be charged to the appropriations authorized under this section.

[(e) * * * [Repealed—1981]

[(f) Nothing in this section shall be interpreted as endorsing any measure undertaken by the Government of Romania which would suppress human rights as defined in the Conference on Security and Co-operation in Europe (Helsinki) Final Act and the United Nations Declaration on Human Rights, or as constituting a precedent for or commitment to provide United States development assistance to Romania, and the Romanian Government shall be so notified when aid is furnished under this section.]

[**Sec. 495E. Turkey Relief, Rehabilitation, and Reconstruction.**—The President is requested to use up to $10,000,000 of the funds made available under section 492 of this Act to provide relief, rehabilitation, and reconstruction assistance to the victims of the recent earthquakes in Turkey.]

* * * * * * *

[**Sec. 495G. Special Caribbean Hurricane Relief Assistance.**—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief and reconstruction in the Caribbean to assist in alleviating the human suffering caused by recent hurricanes in that region. In addition to amounts otherwise available for such purposes, there is authorized to be appropriated for purposes of this section $25,000,000 for the fiscal year 1980, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.]

* * * * * * *

Chapter 10—Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence

[**Sec. 496. (a) Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence.**—There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

[(1) $7,750,000 to make grants; and

[(2) $17,250,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.

[(b) Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a $3,000,000 loan on June 30, 1975.

[(c) The President is authorized to use up to $30,000,000 of the funds made available under this part for the fiscal year 1976, in addition to funds otherwise available for such purposes, to provide development assistance in accordance with chapter 1 or relief and rehabilitation assistance in accordance with chapter 9 (including assistance through international or private voluntary organizations) to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.]

[**Sec. 497. Balance of Payments Loan for Portugal.**—(a) In recognition of the established interest of the United States in fostering a democratic government in Portugal, in maintaining the strength of the North Atlantic Treaty Organization alliance, and in supporting European economic recovery, the purpose of this section is to provide essential balance of payments assistance to Portugal.

[(b) The President is authorized to make balance of payments support loans to Portugal as part of a special international effort to assist that country in the development and implementation of a program to gain financial stabilty and economic recovery.

[(c) There are authorized to be appropriated to the President not to exceed $300,000,000 for the fiscal year 1978 to carry out the purposes of this section, which amount is authorized to remain available until expended.]

PART II

Chapter 1—Policy

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Sec. 502B. Human Rights.—(a)(1) * * *

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(d) For the purposes of this section—

(1) the term "gross violations of internationally recognized human rights" included torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, causing the disappearance of persons by the abduction and clandestine detention of those persons, and other flagrant denial of the right to life, liberty, or the security of person; and

(2) the term "security assistance" means—

(A) assistance under chapter 2 (military assistance) or chapter 4 (economic support fund) or chapter 5 (military education and training) or chapter 6 (peacekeeping operations) *or chapter 8 (anti-terrorism assistance)* of this part;

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Chapter 2—Military Assistance

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Sec. 504. Authorization.—(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter [not to exceed $238,500,000 for fiscal year 1982 and not to exceed $238,500,000 for the fiscal year 1983] *not to exceed $384,000,000 for the fiscal year 1984.*

(2) Amounts appropriated under this subsection are authorized to remain available until expended.

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Sec. 514 Stockpiling of Defense Articles for Foreign Countries.—(a) * * *

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(b)(1) The value of defense articles to be aside, earmarked, reserved, or intended for use as war reserve stocks for allied or other foreign countries (other than for purposes of the North Atlantic Treaty Organization) in stockpiles located in foreign countries may not exceed in any fiscal year an amount greater than is specified in security assistance authorizing legislation for that fiscal year.

(2) The value of such additions to stockpiles in foreign countries shall not exceed [$130,000,000 for the fiscal year 1982 and $125,000,000 for the fiscal year 1983] *$125,000,000 for the fiscal year 1984.*

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Sec. 515. Overseas Management of Assistance and Sales Programs.—(a) * * *

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(c)(1) The number of members of the Armed Forces assigned to a foreign country under this section may not exceed six unless specifically authorized by the Congress. The President may waive this limitation if he determines and reports to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, 30 days prior to the introduction of the additional military personnel, that United States national interests require that more than six members of the Armed Forces be assigned under this section to carry out international security assistance programs in a country not specified in this paragraph. For the [fiscal year 1982 and the fiscal year 1983] *fiscal year 1984,* Indonesia, the Republic of Korea, the Philippines, Thailand, Egypt, Jordan, Morocco, Saudi Arabia, Greece, Portugal, Spain, and Turkey are authorized to have military personnel strengths larger than six under this section to carry out international security assistance programs *and for the fiscal year 1984, Pakistan, Tunisia, Yemen, Liberia, Sudan, Zaire, El Salvador, Honduras, and Venezuela are authorized to have military personnel strengths larger than* *six but not to exceed twelve under this section to carry out international security assistance programs.*

* * * * * * *

Chapter 4—Economic Support Fund

[**Sec. 531. Authority.**—(a)(1) The Congress recognizes that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. In planning assistance intended for economic development under this chapter, the President shall take account, to the maximum extent feasible, the policy directions of section 102.

[(2) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I.

[(b)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $2,623,500,000 for the fiscal year 1982 and $2,723,500,000 for the fiscal year 1983.

[(2) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

[(c) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

[**Sec. 532. Middle East Programs.**—(a)(1) Of the funds authorized to be appropriated to carryout this chapter for the fiscal year 1982 and for the fiscal year 1983, not less than $785,000,000 for each such year shall be available only for Israel and not less than $750,000,000 for each such year shall be available only for Egypt. Amounts made available for Israel and Egypt for the fiscal year 1982 pursuant to this paragraph shall be in addition to the amounts made available to those countries pursuant to paragraph (4) of this subsection.

[(2) All of the funds made available to Israel and to Egypt under this chapter for fiscal years 1982 and 1983 shall be provided on a grant basis.

[(3) The total amount of funds allocated for Israel under this chapter for the fiscal year 1982 and for the fiscal year 1983 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

[(4) In addition to the amounts requested for Israel and Egypt under this chapter for the fiscal year 1982, $21,000,000 shall be made available for Israel for the fiscal year 1982, and $21,000,000 shall be made available for Egypt for the fiscal year 1982 in order to replace the funds which were authorized and appropriated for those countries in the fiscal year 1981 but which were reprogrammed in order to provide assistance for Liberia and El Salvador.

[(5) Of the amounts provided to Egypt under this chapter for the fiscal year 1982 and for the fiscal year 1983, up to $50,000,000 for each such year may be used under title XII of chapter 2 of part I of this Act in building agricultural extension services in Egypt for the small farmer in order to upgrade the skills of the agricultural faculty in provincial universities, improve the agricultural curriculum offered and the equipment available in provincial universities, and establish a provincial university extension service with an outreach program which can directly reach the Egyptian small farmer.

[(b)(1) Of the funds authorized to be appropriated to carry out this chapter for fiscal year 1982 and for the fiscal year 1983, $11,000,000 for each such year may be used for special requirements in the Middle East, including regional cooperative projects of a scientific and technological nature in accordance with paragraph (2) of this subsection, other regional programs, development programs on the West Bank and in Gaza, population programs, project development and support, and programs of participant training.

[(2) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences. Of the funds available under paragraph (1) of this subsection for the fiscal year 1982 and for the fiscal year 1983, $4,000,000 for each such year may be used in accordance with this paragraph for scientific and technological projects which will promote regional cooperation among Israel and Egypt and other Middle East countries.

[(3) The President may obligate funds under paragraph (1) of this subsection only if, in accordance with the established prenotification procedures under section 634A of this Act, he transmits a report to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, at least 15 days prior to such obligation. This report shall set forth—

[(A) the name of the proposed recipient of such funds,

[(B) the amount of funds to be made available to such recipient and

[(C) the purpose for which such funds are to be made available.

[(4) At the end of the fiscal year 1981, at the end of the fiscal year 1982, and the end of the fiscal year 1983, the President shall report to the Congress on the use of funds under this chapter during that fiscal year for special requirements in the Middle East.

[(c) None of the funds appropriated to carry out this chapter for the fiscal year 1982 or the fiscal year 1983 may be made available to Syria.

[(d) It is the sense of the Congress that, of the funds authorized to be appropriated to carry out this chapter, $7,000,000 for the fiscal year 1982 and $7,000,000 or more for the fiscal year 1983 should be made available for Lebanon for relief and rehabilitation programs of international and private voluntary agencies and other not-for-profit United States organization operating in Lebanon.

[**Sec. 533. Eastern Mediterranean Programs.**—(a) Not less than two-thirds of the funds made available to Turkey under this chapter for each of the fiscal years 1982 and 1983 shall be provided on a grant basis.

[(b) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, $15,000,000 for each such year shall be available only for Cyprus. Of that amount, $5,000,000 for the fiscal year 1982 and $10,000,000 for the fiscal year 1983 shall be for scholarship programs to bring Cypriots to the United States for education.

[**Sec. 534. Prohibition on Use of Funds for Nuclear Facilities.**—Funds available to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.

[**Sec. 535. Emergency Assistance.**—(a) Of the funds appropriated to carry out this chapter up to $75,000,000 for the fiscal year 1982 and up to $75,000,000 for the fiscal year 1983 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

[(b) Notwithstanding any provision of this chapter or of an appropriations Act (including a joint resolution making continuing appropriations) which earmarks funds available to carry out this chapter for a specific country or purpose, up to 5 percent of each amount so earmarked may be used to carry out this section.]

*Sec. 531. **Authority.**—(a)(1) The Congress recognizes that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.*

(2) To the maximum extent feasible, funds made available pursuant to this chapter for commodity import programs or other program assistance shall be used to generate local currencies, not less than 50 percent of which shall be available to support activities consistent with the objectives of sections 103 through 106 of this Act, and administered by the agency primarily responsible for administering part I of this Act.

(3) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility with the Administrator of the agency primarily responsible for administering part I. The Administrator of the agency primarily responsible for administering part I shall be responsible for administering this chapter.

(4) As part of the annual congressional presentation materials submitted to the Congress, the agency primarily responsible for administering this chapter shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of projectized assistance provided with funds made available under this chapter.

(b)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $2,946,000,000 for the fiscal year 1984.

(2) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

(c) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

(d) The President shall use an amount equal to not less than 35 percent of the funds appropriated to carry out this chapter and made available for commodity import programs for the purchase of agricultural commodities and agricultural-related products which are of United States origin, except that not less than 20 percent of such funds appropriated to carry out this chapter and made available for commodity import programs shall be used for the purchase of domestic agricultural commodities. One-half of the amount used for agricultural commodities shall be used to purchase processed or value-added products of such commodities.

Sec. 532. Middle East Programs.*—(a) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1984, not less than $910,000,000 shall be available only for Israel and not less than $750,000,000 shall be available only for Egypt.*

(b) All of the funds made available to Israel and to Egypt under this chapter for the fiscal year 1984 shall be provided on a grant basis.

(c) The total amount of funds allocated for Israel under this chapter for the fiscal year 1984 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

(d) Of the amounts provided to Egypt under this chapter for the fiscal year 1984 up to $50,000,000 may be used under title XII of chapter 2 of part I of this Act in building agricultural extension services in Egypt for the small farmer in order to upgrade the skills of the agricultural faculty in provincial universities, improve the

agricultural curriculum offered and the equipment available in provincial universities, and establish a provincial university extension service with an outreach program which can directly reach the Egyptian small farmer.

(e) None of the funds appropriated to carry out this chapter for the fiscal year 1984 may be made available to Syria.

Sec. 533. Other Earmarks.—*Of the funds authorized to be appropriated to carry out this chapter for fiscal year 1984, in addition to amounts earmarked in section 532: $175,000,000 shall be available only for Pakistan, $5,000,000 shall be available only for Tunisia: $7,000,000 shall be available only for Morocco; $50,000,000 shall be available only for other programs in the Middle East and South Asia Region; $55,000,000 shall be available only for the East Asian Region; $40,000,000 shall be available only for Portugal; $15,000,000 shall be available only for Cyprus refugee relief and scholarship programs; $187,000,000 shall be available only for other programs in the European region; $70,000,000 shall be made available only for Costa Rica: $290,000,000 shall be available only for other programs in the Latin American Region; and $392,000,000 shall be made available only for programs in the African Region.*

Sec. 534. Prohibition on Use of Funds for Nuclear Facilities.—*Funds available to carry out this chapter for the fiscal year 1984 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.*

Sec. 535. Emergency Assistance.—*(a) Of the funds appropriated to carry out this chapter up to $75,000,000 for the fiscal year 1984 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.*

(b) Notwithstanding any provision of this chapter or of an appropriations Act (including a joint resolution making continuing appropriations) which earmarks funds available to carry out this chapter for a specific country or purpose, up to 5 percent of each amount so earmarked may be used to carry out this section.

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Chapter 5—International Military Education and Training

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Sec. 542. Authorization.—There are authorized to be appropriated to the President to carry out the purposes of this chapter [$42,000,000 for the fiscal year 1982 and $42,000,000 for the fiscal year 1983]

$46,000,000 for the fiscal year 1984.

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Sec. 544. Exchange Training.—*In carrying out this chapter, the President is authorized to provide during the fiscal years 1984 and 1985 for attendance of foreign military personnel at professional military education institutions in the United States (other than*

Service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of eligible foreign countries and international organizations.

Chapter 6—Peacekeeping Operation

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Sec. 552. Authorization of Appropriations.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, [$19,000,000 for the fiscal year 1982 and $19,000,000 for the fiscal year 1983] *$46,200,000 for the fiscal year 1984.*

(b) Amounts appropriated under this section are authorized to remain available until expended.

(c) If the President determines that, as the result of an unforeseen emergency, the provision of assistance under this chapter in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States, the President may *(1)* exercise the authority of section 610(a) of this Act to transfer funds available to carry out chapter 4 of this part for use under this chapter without regard to the 20-percent increase limitation contained in such section, except that the total amount so transferred in any fiscal year may not exceed $15,000,000; *and (2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government of an aggregate value not to exceed $10,000,000 in any fiscal year.*

(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under subsection (c)(2) of this section.

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Chapter 8—Anti-Terrorism Assistance

Sec. 571. General Authority.*—(a) Subject to the provisions of subsection (e), the President is authorized to furnish, on such terms and conditions as the President may determine, assistance to foreign countries in order to enhance the ability of their law enforcement personnel to deter terrorists and terrorist groups from engaging in international terrorist acts such as bombing, kidnaping, assassination, hostage taking, and hijacking. Such assistance may include training services and the provision of equipment and other commodities related to bomb detection and disposal, management of hostage situations, physical security, and other matters relating to the detection, deterrence, and prevention of acts of terrorism, the resolution of terrorist incidents, and the apprehension of those involved in such acts.*

(b) Notwithstanding section 660 of this Act, services and commodities may be granted for the purposes of this chapter to eligible foreign countries, subject to reimbursement of the value thereof (as defined in section 544(m)) pursuant to section 632 of this Act from funds available to carry out this chapter.

(c) Whenever the President determines it to be consistent with and in furtherance of the purposes of this chapter, and on such terms and conditions consistent with this Act as he may determine, any agency of the United States Government is authorized to furnish services and commodities, without charge to funds available to carry out this chapter, to an eligible foreign country, subject to payment in advance of the value thereof (as defined in section 644(m)) in United States dollars by the foreign country. Credits and the proceeds of guaranteed loans made available to such countries pursuant to the Arms Export Control Act shall not be used for such payments. Collections under this chapter shall be credited to the currently applicable appropriation, account, or fund of the agency providing such assistance and shall be available for the purposes for which such appropriation, account or fund is authorized to be used.

(d) The Assistant Secretary of State for Human Rights and Humanitarian Affairs shall be consulted in the development and implementation of the antiterrorism assistance program under this chapter, including determinations of the foreign countries that will be furnished assistance under this chapter and determinations of the nature of assistance to be furnished to each such country.

(e)(1) Training services provided pursuant to subsection (a) shall not be conducted outside the United States.

(2) Personnel of the United States Government authorized to advise eligible foreign countries on antiterrorism matters shall carry out their responsibilities, to the maximum extent possible, within the United States. Such personnel may, for a period not to exceed thirty calendar days, if located outside the United States, provided advice on antiterrorism matters to eligible foreign countries.

(3) Employees of the Department of State shall not engage in the training of law enforcement personnel or provision of services as described in subsection (a), except that employees of the Office of Security within the Department of State may provide training and services to law enforcement personnel for the physical protection of diplomatic personnel and facilities.

(4) Equipment and commodities included on the United States munitions list established pursuant to the Arms Export Control Act shall not be made available under subsection (a).

(5) Assistance under subsection (a) shall not include provision of services, equipment, personnel, or facilities involved in the collection of intelligence as defined in Executive Order 12333 of December 4, 1981.

(6) The authority of subsection (a) of this section shall expire three years after the date of enactment of this section, except that funds obligated prior to that date may be expended after that date in accordance with this chapter.

(7) Not less than thirty days before the President exercises his authority under this section to provide assistance to foreign countries to enhance their antiterrorism law enforcement capabilities, the President shall transmit to the chairman of the Committee on For-

eign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives, a written notification which specifies—

(1) the country to which such assistance is to be provided;

(2) the type and value of the assistance to be provided;

(3) the terms and duration of assistance; and

(4) an explanation of how the proposed assistance will further the objectives of this section to assist law enforcement in eligible foreign countries in deterring terrorism.

The chairman of either Committee specified herein may request, as deemed necessary, a current report on the state of observance of and respect for internationally recognized human rights in the country to which assistance is to be provided. In the event that a report is requested, no assistance shall be provided to the country specified prior to transmittal of the report to the requesting committee.

(8) Not later than one year after the date of enactment of this section and each year thereafter as part of the annual congressional presentation material, the President shall transmit to the Congress a report identifying the countries receiving assistance under this section, including the type, place, and duration of training being provided, number of personnel being trained, and type of equipment being transferred. The report shall also describe the ways in which the provision of such assistance has furthered the objectives of enhancing the ability of foreign law enforcement authorities to deter acts of terrorism.

Sec. 572. Appropriations.—*(a) For the fiscal year 1983, the President may transfer for use under this chapter, up to $2,500,000 of the amounts made available for any provision authorized by title I of the International Security and Development Cooperation Act of 1981.*

(b) There is authorized to be appropriated to the President to carry out this chapter $4,000,000 for the fiscal year 1984.

Sec. 573. Purposes.—*(a) Activities conducted under this chapter shall be designed—*

(1) to enhance the law enforcement anti-terrorism skills of friendly countries by providing training and equipment to deter and counter terrorism;

(2) to strengthen the bilateral ties of the United States with friendly governments by offering concrete assistance in this area of great mutual concern; and

(3) increase respect for human rights by sharing with foreign civil authorities modern, humane, and effective antiterrorism techniques.

(b) This chapter does not apply to information exchange activities conducted by agencies of the United States Government under other authority for such purposes.

Sec. 574. Administrative Authorities.—*Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.*

PART III

Chapter I—General Provisions

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Sec. 604. Procurement.—(a) * * *

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(h) It is the intent of the Congress that the agency primarily responsible for administering part I intensify effortrs to encourage and assist suppliers of United States-origin goods and services to compete effectively for procurement opportunities arising from use of development assistance, economic support fund, and multilateral development bank funding. The agency responsible for administering part I of the Act shall submit an annual report on the implementation of this section. Such report shall show the percentage of development assistance and economic support fund procurements from United States sources and shall describe the efforts to analyze and assist United States firms with problems competing for projects funded by multilateral development banks as well as for development assistance and economic support fund funding.

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Sec. 611. Completion of Plans and Cost Estimates.—(a) No agreement or grant which constitutes an obligation of the United States Government in excess of [$100,000] *$500,000* under section 1311 of the Supplemental Appropriation Act, 1955, as amended (31 U.S.C. 200), shall be made for any assistance authorized under chapter I or part I, title II of chapter 2 of part I, or chapter 4 of part II—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed in time to permit the orderly accomplishment of the purposes of such agreement or grant.

(b) Plans required under subsection (a) of this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with [the procedures set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, with respect to such computations] *the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.) or acts amendatory or supplementary thereto.*

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Sec. 620. Prohibitions Against Furnishing Assistance.—(a)(1) * * *

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(y) Recognizing that the People's Republic of China, although it has a Communist form of government, is a nonallied nation which plays a helpful strategic role, the President may authorize the furnishing of assistance to the people's Republic of China (and Tibet) under this Act, notwithstanding the provisions of subsection (f), if he determines and reports to the Congress that extending eligibility for such assistance to the People's Republic of China (and Tibet) is important to the security of the United States.

(z)(1) In determining the level of asssistance to a country under this Act, the Agricultural Trade Development and Assistance Act of 1954, or the Arms Export Control Act, the President shall consider the extent to which the government of such country permits a Government-owned entity or nationals of that country to engage in the broadcast of copyrighted material (including films and television material) belonging to United States copyright owners, without their express consent.

(2) If the President determines that a Government-owned entity of a country engages in the broadcast of copyrighted material (including films and television material) belonging to United States copyright owners, without their express consent, then the level of assistance provided to that country for the fiscal year 1984 under this Act, the Agricultural Trade Development and Assistance Act of 1954, and the Arms Export Control Act may not exceed one-half of the amount proposed for that country under that Act in the congressional presentation materials.

(3) This subsection may be waived by the President if he determines and reports to Congress that it is in the national interest to do so.

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Chapter 2—Administrative Provisions

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Sec. 634. Annual Report.—(a) In order that the Congress and the American people may be better and more currently informed regarding American foreign policy and the effectiveness of assistance provided by the United States Government to other countries and to international organizations, the Chairman of the Development Coordination Committee shall prepare and transmit to the Congress, no later than February 1 of each year, as a part of the annual presentation materials for foreign assistance, a report as described in this subsection. This report shall include—

(1)(A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements natural resources, and participation in international agencies concerned with development;

(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing food production and employment, *such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority;* and

* * * * * * *

Sec. 634A. Notification of Program Changes.—*(a)* None of the funds appropriated to carry out the purposes of this Act (except for programs under title III or title IV of chapter 2 of part I, chapter 5 of part I, and programs of disaster relief and rehabilitation) may be obligated for any activities, programs, projects, types of material assistance, countries, or other operations not justified, or in excess of the amount justified, to the Congress for obligation under this Act for any fiscal year unless the Committee on Foreign Relations of the Senate, the Committee on International Relations of the House of Representatives, the Committee on Appropriations of each House of the Congress are notified fifteen days in advance of such obligation. Whenever a proposed reprogramming exceeds $1,000,000 and the total amount proposed for obligation for a country under this Act in a fiscal year exceeds by more than $5,000,000 the amount specified for that country in the report required by section 653(a) of this Act, notifications of such proposed reprogrammings shall specify—

(1) the nature and purpose of such proposed obligation, and

(2) to the extent possible at the time of the proposed obligation, the country for which such funds would otherwise have been obligated.

(b) The President shall notify the chairman of the Committee on Foreign Relations of the Senate concerning any reprograming of authorized funds in the International Affairs Budget Function to the same degree and with the same conditions as he notifies the Committee on Appropriations of the Senate.

(c) The notification requirement of this section does not apply to the reprogramming of less than $50,000 for use under chapter 8 of part I or chapter 5 of part II for a country for which a program under that chapter for that fiscal year was justified to the Congress.

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Sec. 636. Provisions on Uses of Funds.—(a) * * *

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(14) use in accordance with authorities of [the Foreign Service Act of 1946, as amended] *the Foreign Service Act of 1980* (22 U.S.C. 801 et seq.) not otherwise provided for;

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(c) Notwithstanding any other law, [not to exceed $3,000,000 of the] funds available for assistance under this Act may be used in any fiscal year (in addition to funds available for such use under other authorities in this Act) to construct or otherwise acquire outside the United States (1) essential living quarters, office space, and necessary supporting facilities for use of personnel carrying out activities authorized by this Act, and (2) schools (including dormitories and boarding facilities) and hospitals for use of personnel carrying out activities authorized by this Act, United States Government personnel, and their dependents. In addition, funds made available for assistance under this Act may be used, notwithstanding any other law, to equip, staff, operate, and maintain such schools and hospitals.

(d) Not to exceed [$2,500,000] *$5,000,000* of funds available for assistance under this Act may be used in any fiscal year to provide assistance, on such terms and conditions as are deemed appropriate, to schools established, or to be established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel, in lieu of acquisition or construction pursuant to subsection(c) of this section.

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Chapter 3—Miscellaneous Provisions

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Sec. 644. Definitions.—As used in this Act—

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(m) "Value" means—

(1) with respect to an excess defense article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of section 632(d) such actual value shall not be taken into account;

(2) with respect to a nonexcess defense article delivered from inventory to foreign countries or international organizations inventory to foreign countries or international organizations under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

(3) with respect to a nonexcess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production cost of such article;

(4) with respect to a defense service, the cost to the United States Government of such service; and

(5) with respect to military education and training *or services provided under chapter 8 of part II of this Act,* the additional costs that are incurred by the United States Government in furnishing such assistance.

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Sec. 652. Limitation Upon Exercise of Special Authorities.—The President shall not exercise any special authority granted to him under section 506(a) , *552(c)(2),* or 610(a) of this Act unless the President, prior to the date he intends to exercise any such authority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.

Sec. 653. Change in Allocation of foreign Assistance.—(a) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than sections 451 or 637) *or the Arms Export Control Act,* the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each.

[(b) Notwithstanding any other provision of law, no military grant assistance, assistance under chapter 4, of part II of this Act, assistance under chapter 1 of part I of this Act, or asistance under chapter 6 of part II of this Act, may be furnished to any country or international organization in any fiscal year, if such assistance exceeds by 10 percent or more the amount of such military grant assistance, assistance under chapter 4 of part II of this Act, assistance under chapter 1 of part I of this Act, or assistance under chapter 6 of part II of this Act, as the case may be, set forth in the report required by subsection (a) of this section, unless

(1) the President reports to the Congress, at least ten days prior to the date on which such excess funds are provided, the country or organization to be provided the excess funds, the amount and category of the excess funds, and the justification for providing the excess funds; and

(2) in the case of military grant assistance or assistance under chapter 4 of part II of this Act or assistance under chapter 6 of part II, the President includes in the report under paragraph (1) his determination that it is in the security interest of the United States to provide the excess funds.

This subsection shall not apply if the excess funds provided in any fiscal year to any country or international organization for any category of assistance are less than $1,000,000.**]**

[(c)**]***(b)* The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614(a) of this Act.

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Sec. 660. Prohibiting Police Training.—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

(b) Subsection (a) of this section shall not apply—

(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968 with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section 482 of this Act; **[**or**]**

(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program[.] *; or*

(3) with respect to assistance or training in maritime law enforcement.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment.

Sec. 661. Trade and Development Program.—(a) The President is authorized to work with friendly countries, especially those in which the United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act.

(b) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, [$6,907,000 for the fiscal year 1982 and $6,907,000 for the fiscal year 1983] *$21,000,000 for the fiscal year 1984.* Amounts appropriated under this subsection are authorized to remain available until expended.

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Sec. 667. Operating Expenses.—(a) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

(1) [$335,600,000 for the fiscal year 1982 and $335,600,000 for the fiscal year 1983] *$336,700,000 for the fiscal year 1984* for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and

(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

(b) Amounts appropriated under this section are authorized to remain available until expended.

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International Security and Development Cooperation Act of 1980

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TITLE V—AFRICAN DEVELOPMENT FOUNDATION

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USE OF CERTAIN FUNDS

[**Sec. 510.** Of the funds appropriated to carry out part I of the Foreign Assistance Act of 1961, other funds appropriated for Economic Support Fund, not less than $2,000,000 for the fiscal year 1982 and up to $2,000,000 for the fiscal year 1983 shall be used to carry out this title.]

Sec. 510.—There are authorized to be appropriated to the President to carry out this title, in addition to funds otherwise available for such purposes, $3,000,000 for the fiscal year 1984, which are authorized to remain available until expended.

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Foreign Assistance Act of 1969, as amended

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PART IV—THE INTER-AMERICAN FOUNDATION ACT

Sec. 401. Inter-American Foundation.—(a) * * *

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(s)(1) Notwithstanding any other provision of law, not to exceed an aggregate amount of $50,000,000 of the funds made available for the fiscal years 1970 and 1971 to carry out part I of the Foreign Assistance Act of 1961 shall be available to carry out the purposes of this section. Funds made available to carry out the purposes of this section under the preceding sentence are authorized to remain available until expended.

(2) There is authorized to be appropriated not to exceed $12,000,000 for the fiscal year ❲1982 and $12,800,000 for the fiscal year 1983❳ *1984* to carry out the purposes of this section. Amounts appropriated under this paragraph are authorized to remain available until expended.

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The Peace Corps Act, as amended

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TITLE I—THE PEACE CORPS

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AUTHORIZATION

Sec. 3. (a) The President is authorized to carry out programs in furtherance of the purposes of this Act, on such terms and conditions as he may determine.

(b) ❲There are authorized to be appropriated to carry out the purposes of this Act for the fiscal year 1982 not to exceed $105,000,000 and for the fiscal year 1983 not to exceed $105,000,000: *Provided, however,* That not to exceed $500,000 of funds made available hereunder for fiscal year 1967 shall be obligated under contracts or agreements to carry out research: *Provided further,* That no such contracts or agreements shall be executed unless the research in question relates to the basic responsibilities of the Peace Corps.❳ *There are authorized to be appropriated to carry out the purposes of this Act for the fiscal year 1984 not to exceed $113,500,000.* Unobligated balances of funds made available hereunder are hereby authorized to be continued available for the general purposes for which appropriated and may at any time be consolidated with appropriations hereunder. None of the funds authorized to carry out the purposes of this Act shall be used to carry out the Volunteers to America Program conducted under the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), or any similar program involving the service or training of foreign nationals in the United States.

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CHAPTER 3—WITHHOLDING OF TAX ON NONRESIDENT ALIENS AND FOREIGN CORPORATIONS AND TAX-FREE COVENANT BONDS

SUBCHAPTER A—NONRESIDENT ALIENS AND FOREIGN CORPORATIONS

§ 1441. Withholding of tax on nonresident aliens

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(c) Exceptions.—

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(6) Per diem of certain aliens.—No deduction or withholding under subsection (a) shall be required in the case of amounts of *scholarship or fellowship grants, including* per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.

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International Security and Development Cooperation Act of 1981

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TITLE VII—MISCELLANEOUS PROVISIONS

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RESTRICTIONS ON MILITARY ASSISTANCE AND SALES TO EL SALVADOR

Sec. 728. (a)(1) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human suffering and disruption to the economy of the country, and that substantial assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. Moreover, the Congress recognizes that the efforts of the Government of El Salvador to achieve these goals are affected by the activities of forces beyond its control.

(2) Taking note of the substantial progress made by the Government of El Salvador in land and banking reforms, the Congress declares it should be the policy of the United States to encourage and support the Government of El Salvador in the implementation of these reforms.

(3) The United States also welcomes the continuing efforts of President Duarte and his supporters in the Government of El Sal-

vador to establish greater control over the activities of members of the armed forces and government security forces. The Congress finds that it is in the interest of the United States to cooperate with the Duarte government in putting an end to violence in El Salvador by extremist elements among both the insurgents and the security forces, and in establishing a unified command and control of all government forces.

(4) The United States supports the holding of free, fair, and open elections in El Salvador at the earliest date. The Congress notes the progress being made by the Duarte government in this area, as evidenced by the appointment of an electoral commission.

(b) In [fiscal years 1982 and 1983] *fiscal years 1983, 1984, and 1985,* funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guarantees may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if not later than thirty days after the date of enactment of this Act and every one hundred and eighty days thereafter, the President makes a certification in accordance with [subsection (d)] *subsections (d) and (e).*

(c) If the President does not make such a certification at any of the specified times then the President shall immediately—

(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during [fiscal year 1982 and during fiscal year 1983] *fiscal years 1983, 1984, and 1985* until such time as the President makes a certification in accordance with subsection (d).

(d) The certification required by subsection (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador—

(1) is making a concerted and significant effort to comply with internationally recognized human rights[;] *and to this end has taken concrete steps to strengthen its judicial system and to insure the independence and integrity of that system;*

(2) is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces:

(3) is making continued progress in implementing essential economic and political reforms, including the land reform program, *bearing in mind the desirability of private sector, free-market structures in the economy;*

(4) is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) a renouncement of further military or paramilitary activity; and

(B) the electoral process with internationally recognized observers.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

[(e) On making the first certification under subsection (b) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders. The second certification required under this section may be made only if it includes a determination by the President that the Government of El Salvador (1) has made good faith efforts since the first such certification was made to investigate the murders of those six United States citizens and to bring to justice those responsible for those murders, adn (2) has taken all reasonable steps to investigate the disappearance of journalist John Sullivan in El Salvador in January 1981.]

(e) The President shall include in each certification required to be transmitted under subsection (b) his determination that, during the period since the preceding certification, the Government of El Salvador has made further good-faith efforts to investigate the murders of United States citizens that have taken place since December 1980 in El Salvador and to bring to justice those responsible for those murders.

(f) In making the fourth certification required by this section and all subsequent certifications, the President shall also report on the violence, intimidation, and lawlessness of the terrorist guerrillas in El Salvador, including—

(1) their attempts to overthrow the Government of El Salvador which was elected by an overwhelming manifestation of the voters on March 23, 1982;

(2) their attempts to terrorize and intimidate rural populations;

(3) their attempts to destroy the economic infrastructure of El Salvador;

(4) their attempts to deprive the working population of their livelihood, by burning buses used by workers, by threatening those who work in agriculture and industry, and similar measures; and

(5) their attempts to conduct terrorist operations designed to invite responses which can then be characterized as human rights violations by the Government of El Salvador.

In reaching a determination of the human rights record of the Government of El Salvador described in paragraph (1) of subsection (d), the President shall take into account violations of human righs perpetrated by the terrorist forces.

TITLE 5—UNITED STATES CODE

CHAPTER 53—PAY RATES AND SYSTEMS

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SEC. 5315. POSITIONS AT LEVEL IV.—

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( ) Assistant Secretary for Political-Military Affairs, Department of State.

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